

Japanese
lag behind
British
with new
products

By Ian Rodger in London

BRITISH manufacturers appear to be marketing more up-to-date products than their Japanese competitors, according to a survey of 176 senior executives in five leading industrial countries.

In another reversal from accepted ideas about national tendencies, most of the 35 Japanese executives interviewed were keen that basic research activities be maintained in the universities, whereas most of the 141 European and U.S. executives wanted universities to shift their emphasis to applied research.

The executives, drawn from the chemical, home appliance, machine tool, telecommunications and medical equipment sectors, were participating in a survey of attitudes to new technology carried out by Mori during the spring and summer for PA Technology, a UK management consulting group.

The British emphasis on new products, which may reflect the attempts of many manufacturers to catch up with foreign competitors, emerged when the executives were asked what portion of their companies' revenues came from products not yet marketed three years ago. In the telecommunications sector, the British won 47 per cent of their revenues from new products, the Japanese only 23 per cent.

The same trend was true in all sectors. For example, the British proportion of revenue from new domestic appliances was 39 per cent, compared with 12 per cent for Japanese manufacturers.

The West Germans and Benelux telecommunications and domestic appliance companies also tended to get more of their revenue from new products than the Japanese.

Most of the other survey results show the Japanese standing apart, as usual, from their Western competitors. Perhaps the most disturbing example is that the Japanese, widely known for profiting from the basic research of others, strongly support the idea that their universities should concentrate on basic research. When the executives were asked their view of a move by universities away from fundamental research and towards more applied research, 60 per cent of the Japanese said it would be a bad thing. On the other hand, 65 per cent of the British, 64 per cent of the West Germans and 56 per cent of the Americans said this would be a good thing.

Dr Gerald Avison, director of PA Technology's Cambridge laboratory said that there was a real danger that "we will discover in 10 years"

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Howe fails to
repair UK rift
with Nigeria

BY MICHAEL HOLMAN AND PATTI WALDMER

SIR GEOFFREY Howe, the British Foreign Secretary, yesterday ended a two-day official visit to Nigeria which failed to end the strains caused by an abortive attempt to kidnap a prominent Nigerian exile in London last year.

Although Nigerian and British officials agreed that the visit helped to improve relations between the two countries, it seems to have fallen short of hopes that it might lead to an early restoration of full diplomatic ties.

The countries withdrew their high commissioners last July after an attempt to kidnap Mr Umaru Dikko, a prominent Nigerian exile and former Transport Minister accused of corruption. Mr Dikko is still in London seeking political asylum.

There had been some expectation that the two sides might announce that the post in London and Lagos would be filled again. But Sir Geoffrey said such a move was not an immediate possibility although he added that Britain's view was "the sooner the better".

Although Sir Geoffrey struck a conciliatory note throughout his visit, the first by a foreign minister since the August 27 coup, he received a sharp rebuff at a dinner on Tuesday night hosted by Air Commodore Larry Koiyana, a member of the Armed Forces Ruling

Council. "Those who flout our laws and have contributed to the suffering of our people cannot be allowed to hide behind the protective laws of their friends," he told Sir Geoffrey. He went on to express Nigeria's doubts about the "sincerity and genuineness of Britain's protestations of friendship towards Nigeria". Nigerian officials have also indicated that the case of Major Mohamed Yusuf, a Nigerian security official jailed for his part in the kidnapping, was a matter of concern. They are seeking his repatriation but this has been turned down by Sir Geoffrey.

The Foreign Secretary, speaking at a press conference before his departure, was forthright about what he saw as Nigeria's need to reach agreement with the International Monetary Fund (IMF). Talks have been deadlocked for 2½ years over the terms, including a substantial devaluation of the naira and a cut in domestic petroleum subsidies.

"As a politician and a former chairman of the IMF interim committee," Sir Geoffrey said, "I am well aware of the conflicting pressures which Nigeria faces. But without an agreement with the IMF it must inevitably be more difficult for Nigeria's friends to help as much as they would wish."

Continued on Page 16

Botha prepares to
restore citizenship
to homeland blacks

BY ANTHONY ROBINSON IN JOHANNESBURG

PRESIDENT P. W. Botha yesterday announced that South African citizenship would be restored to more than 8m black citizens of four "independent homelands". His initiative came as violence flared again in Cape Town and Bishop Desmond Tutu called for a week-long nationwide strike.

Mr Botha said that negotiations would take place with the governments of Transkei, Ciskei, Bophuthatswana and Venda to give dual citizenship to the 3.8m people living in the four homelands. South African citizenship would also be restored to more than 2m homeland citizens who were resident in South Africa and in many cases born there.

The main benefit of such a move would be to enable citizens of the homelands to seek work in white areas of the country and to live in black townships.

The move was welcomed as a significant shift away from apartheid structures by leading civil rights organisations. The deprivation of citizenship in the 1970s, which followed the creation of homelands, made millions of blacks aliens in their own country.

Leading business organisations also welcomed the President's de-

claration. The Associated Chamber of Commerce (Assochem) called it an important step in the right direction and the removal of a stumbling block in the way of meeting black aspirations. The Afrikaans Handels Instituut described it as a step which would cool conflict and improve black worker mobility.

Mr Botha, who was addressing the opening of the State Congress of the ruling National Party in Bloemfontein, also promised to call a referendum if needed to bring about "drastic fundamental changes" to

accommodate black political rights in a new constitutional structure. Further changes in the country's apartheid laws are expected to be announced today when Mr Piet Koonhof, chairman of the President's Council, is due to reveal the council's recommendations for radical changes in the influx control laws which regulate the movement of blacks into white urban areas.

The measures now being formulated on citizenship and influx control were originally expected to have been announced by President Botha last month. His failure to do so contributed to the crisis of foreign confidence which led to temporary closure of the Stock Exchange.

Overseas, the measures may be seen as a response to growing foreign pressures for the abolition of apartheid which has culminated this week in the adoption of limited sanctions by the U.S. and nine EEC governments.

But, as the President and leading ministers pledged further action to redress black grievances and press on with their strategy of evolution-

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Hanson drops SCM bid
as buyout offer is raised

BY TERRY DODSWORTH IN NEW YORK

HANSON TRUST, the UK-based industrial conglomerate, abruptly abandoned its bid for SCM Corporation of the U.S. yesterday after the New York group announced a new management buyout offer worth \$74 a share.

The counter-bid topped Hanson's already-increased offer by \$2 and was greeted by Wall Street as the latest blow in the battle which has seen both sides raise their bids twice. By midday, SCM's shares, which have consistently traded the last few days over Hanson's \$72-a-share offer, had fallen by 5% to \$72.

Under the terms of the SCM proposals, the company will be acquired by a corporation formed by Merrill Lynch, the New York securities house, and funded by Merrill Lynch and Prudential In-

surance. The company is proposing to acquire 10m of SCM's common stock, or around 80 per cent of the equity on a fully diluted basis, for cash, while the remaining shares will be converted into subordinated debentures valued at \$74.

The new bid is accompanied by a powerful defensive device in the shape of an option for Merrill Lynch to acquire SCM's food and pigments businesses for \$80m and \$350m respectively. Analysts say that these are two of the most profitable businesses in the SCM stable, earning probably around \$12m and \$85m pre-tax last year, and that it is extremely difficult to circumvent a defence of this kind.

Shareholders have in similar circumstances attempted to sue directors who have made similar commitments to sell key businesses in a

takeover battle, but courts are usually reluctant to rule on a fair price argument, and the legal processes are also time-consuming.

In its announcement terminating its bid, Hanson said that all the SCM shares tendered to it would be "promptly returned".

SCM's share price fell 8¼ to \$72. Wall Street analysts said that the price now being offered by Merrill Lynch and members of the management consortium was close to the top of their expectations. Before Hanson made its move SCM's shares were trading at around \$83, but Mr Miles Lloyd, of Woolcock Re-

search, said that in a bid situation search, said that in a bid situation

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Merrill Lynch order, Page 17

BAT profits fall 25% on poor
U.S. sales and strong pound

BY CHRISTOPHER PARKES IN LONDON

THE RECENT strength of sterling against the dollar, rising motor insurance claims and poor sales in key U.S. retail stores combined to cut BAT Industries' first-half profits by almost 25 per cent.

The City of London, which had been expecting pre-tax profits of around £500m, was shaken yesterday when the UK-based tobacco, paper, retailing and insurance multinational reported earnings of only £440m (£545m) against £594m in the first six months of last year.

Turnover was £7,580m compared with £7,505m last time.

Mr Patrick Sheehy, group chairman, said in London yesterday that the result was disappointing even allowing for the effects of exchange rate fluctuations, which accounted for £118m of the fall.

The share price fell sharply and ended the day at 278p, down 45p. The company claimed profits would have been down only 5 per cent if exchange rates had remained stable.

The tobacco business performed relatively well. Although volume

sales rose 1.3 per cent worldwide, the currency factor was largely responsible for reducing pre-tax profits by £50m to £265m.

The company, which claims to be the biggest tobacco manufacturer in the free world, has also been spending heavily on promoting Kool, its main brand in the U.S., and launching a new North American brand, Richmond, which has 25 cigarettes in each pack.

Sales in the group's up-market U.S. stores, 30th Avenue and Marshall Field, held up well, reflecting the improving circumstances of the upper income brackets. However, lower grade stores such as Gimbels failed to match recent growth.

Retail market experts said an overall improvement in the U.S. economy was needed and much would depend on the crucial Christmas sales period.

The paper business, which includes UK-based Wiggins Teape and the Appleton speciality paper operation in the U.S., had a good six

months compared with the rest of the group. Pre-tax profits were unchanged at £81m.

BAT's financial services arm, which includes the Eagle Star insurance company, has suffered from a surge in winter motor accident and property claims. Profits in this sector fell to £41m from £70m last time. Sun Alliance, Guardian Royal Exchange and other UK insurance companies have recently reported similar profit trends.

Announcing an interim dividend increase from 4.05p to 4.75p, the chairman said a comparable increase for the full year could be reasonably expected.

BAT, which has recently raised about £500m from a pricing exercise in which it has shed cosmetics and packaging interests, is currently planning to sell Grovewood Securities, a holding company with businesses ranging from the Brands Hatch racing circuit to pram manufacture.

Lex, Page 16; Details, Page 21

Has the dollar really peaked
and gold bottomed?

If you are confused about the direction of the economy or with the price movements of gold, silver, interest rates or the stock market - you have every reason to be.

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promptly gold collapsed from \$514 to \$386. We then warned that gold would continue lower into 1985 and fall below \$300 once again.

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No. 29,725

World news

Business summary

Fed chief
rejects
economic
optimism

Preston Martin, vice-chairman of the Federal Reserve Board, firmly rejected recent assertions by the Reagan Administration that the latest economic data suggests that the U.S. economy is "bouncing back" in the 1985 second-half.

Speaking in New York he repeatedly described the economy as "sluggish" and said it would be "very difficult undertaking" for the economy to move to a 4 per cent annual growth rate in the second half of this year.

The U.S. Commerce Department revised downwards its capital spending forecasts for the whole of this year to 5.8 per cent, compared with its earlier 6.2 per cent estimate. Page 3

Portugal train crash

At least 100 people were reported killed when two trains collided near Viseu in northern Portugal. The final death toll may be at least 200, as rescuers said many were trapped in blazing carriages.

Reporter expelled

Newswatch correspondent Ray Wilkinson was arrested in Cape Town and told he would be deported from South Africa. No reason was given.

UK criticised

The European Commission publicly criticised the British Government for withholding its support from a common package of EEC economic measures against South Africa, and came out in favour of stepping up pressure for an end to apartheid. Page 4

Salvador kidnap

El Salvador's President Jose Napoleon Duarte cancelled a trip to the U.S. after his eldest daughter was kidnapped by guerrillas.

Ambassador rescued

The Portuguese Ambassador to Lebanon escaped unhurt when Lebanese army troops fired on gunmen trying to kidnap him near the green line battle zone dividing Beirut.

Brazil bank strike

Brazilian bank workers began an indefinite strike after employers rejected their demands for a 118 per cent wage increase. Page 3

Sinowatz visit

Chancellor Fred Sinowatz arrives in Rome today for the first post-war visit to Italy by an Austrian head of government. He comes at a time of tension in the frontier province that his country ceded to Rome in 1919.

French rail head

France appointed Philippe Essig, managing director of the Paris transport network, as president of the French railways. He replaces André Chadeau, who resigned on Tuesday. Page 2

German spy jailed

Senior West German border official Franz Riedel, denounced by his wife as a spy for East Germany, was sentenced to 5½ years in prison at the end of his trial in Koblenz.

Koch victory

Ed Koch, the Mayor of New York, moved smoothly towards his third term of office when he swept to a resounding victory in the Democratic primary elections. Page 3

Arctic drive

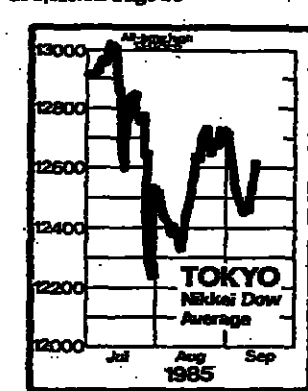
Canada plans to assert its sovereignty over a wide Arctic area by increasing surveillance flights and constructing the world's most powerful ice-breaker at a cost of C\$500m (\$394.7m). Page 3

Close encounter

A U.S. space satellite cut through the tail of the Giacobini-Zinner comet about 44m miles into space, with no apparent damage.

AMERICAN EXPRESS, U.S. financial services group, plans to spin off its troubled Freeman's Fund property/casualty insurance unit through a public offering of 32m shares which will reduce American Express' holding in the insurance group to 45 per cent and generate around \$600m for the parent group. Page 10

WALL STREET: The Dow Jones industrial average closed down 14.01 at 1,319.44. Page 36



TOKYO prices were sent sharply higher by broad-based buying of stocks. The Nikkei-Dow market average added 105.71 to 12,825.25. Page 36

LONDON equities rallied from mid-morning weakness and gifts staged a small revival. The FT Ordinary share index ended 0.2 lower at 1,006.8. Page 36

STERLING ended in New York at \$1.37. It fell half a cent against the dollar in London to close at \$1.368. It rose to DM 3.8725 (DM 3.86). SwFr 3.19 (SwFr 3.1850). FFf 11.89 (FFf 11.7850), but was unchanged at Y218.50. The pound's exchange rate index fell to 79.9 from 80.0. Page 29

DOLLAR ended in New York at DM 2.9673, SwFr 2.445, FFf 9.044 and Y243.85. It rose to DM 2.9610 (DM 2.94). FFf 9.02 (FFf 8.9650), SwFr 2.4390 (SwFr 2.4250) and Y243.50 (Y242.85). On Bank of England figures the dollar's index rose to 142.4 from 141.4. Page 29

GOLD: In New York the October CME settlement was \$322.4. Gold fell \$1.50 on the London bullion market to close at \$320.50. It also fell in Zurich to \$320.50 from \$321.90. Page 28

SEAL GERMANY'S grain harvest this year is already 11.1m tonnes, 20,000 up on last year's record. Another 200,000 tonnes could still be reaped.

SEC has approved a proposal which will allow U.S. stock exchanges to begin trading a limited quota of over-the-counter stocks in a significant move towards further deregulation of the securities market.

SHELL and ESSO agreed to spend \$440m (\$632m) on the first oil production platform in the North Sea designed for unmanned operation. Page 18

NISSAN, second largest Japanese automotive group, said it did not intend to cut back exports from Japan while building up assembly operations in the U.S. and Europe. Page 17

REVLON, health care and cosmetics maker, expected that its poison pill strategy to beat off a hostile bid by Panty Pride could rebound and hurt Revlon. Page 17

TRICOR Mortgage Insurance, U.S. insurance group, announced rescue plans for troubled Equity Programs Investment Corporation (Epic). Page 17

PORSCHE, the West German sports car maker, is to consider the commercial prospects of its aircraft engine venture later this year. Page 17

NATIONAL INTERGROUP, Pittsburgh-based steel and financial services group, announced an agreement with Leucadia National, an unwelcome bidder for the company, to buy back most of Leucadia's stake at \$24 a share. Page 17

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EUROPEAN NEWS

Unions call for scrapping of older airliners

BY DAVID MARSH IN PARIS

CONTROVERSY OVER airline safety after the summer tide of air disasters has led yesterday with a call from international trade unions to scrap all civil aircraft more than 15 years old.

Mr Herman Rebhan, general secretary of the International Metalworkers Federation, which represents 15m workers including 1.8m in aerospace, blamed the "greed" of Japan Air Lines as being partly responsible for the deaths of 520 people in a Boeing 747 which crashed last month.

Addressing a conference of aerospace union leaders in Toulouse yesterday Mr Rebhan said he feared more "patched-

up coffins" might be flying. He urged the creation of a powerful international air safety authority to carry out aircraft inspections. The conference, which was attended by 120 union leaders.

Unions believe that combination of deregulation, bitter competition and the ageing stock of jumbo jets flows through the airline boom years of the 1970s is putting passengers' lives increasingly at risk. A "scrap and build" policy by the world's aerospace companies would also give a clear boost to jobs in the industry.

Mr Rebhan said metal fatigue had been blamed both for the JAL tragedy and the Boeing

737 accident at Manchester in which 55 people died. In the JAL case, he said "greed played a part." The company kept flying a machine twice patched together.

Mr Rebhan said companies were cutting between-flight turn-around times and reducing servicing personnel. Declaring that "no aircraft older than 15 years should still be carrying passengers," Mr Rebhan said one out of six civil aircraft now flying were older.

Jurek Martin in Tokyo adds: JAL yesterday dismissed as "totally misinformed" and "pure sensationalism" Mr Rebhan's criticisms. Mr Geoffrey Tudor, a JAL

spokesman, said that the Boeing 747 SR which crashed last month had logged only 35,000 flying hours. It had experienced a "hard landing" in Osaka in 1978 which resulted in fuselage damage being repaired by Boeing in work that was approved by both the U.S. Federal Aviation Administration (FAA) and the Japan Civil Aeronautics Board.

In 1982, an engine cowling had been damaged, but no structural problems to the aircraft had resulted.

Nancy Dunne in Washington writes: The U.S. air traffic control system is operating with "a diminishing margin of safety" with an overworked,

inexperienced staff, according to a new report produced by the House of Representatives sub-committee on investigations and oversight. Analysing the growing number of mid-air near collisions and citing the still "adversarial" relationship between the controllers and their managers, it recommended that the FAA restrict air traffic until the controller workforce has been strengthened.

In June, the FAA revised upward its count of mid-air near collisions from 286 to 478 in 1983 and from 297 to 582 in 1984. "Such large adjustments in these numbers raises questions about FAA's collection and reporting system."

Mitterrand waves the flag in S. Pacific

By Our Paris Correspondent

THE FRENCH President, M. Francois Mitterrand, will take his foreign and defence ministers to the nuclear testing site of Mururoa in the South Pacific tomorrow on a high-profile visit intended to assert France's presence in the region.

The surprise journey, announced by the Elysee late on Tuesday night, is designed to replace with a more combative stance the rather defensive attitude France has taken in recent weeks in face of the unfavourable publicity caused by the Greenpeace affair and the French nuclear testing programme.

In addition to M. Roland Dumas, the Foreign Minister, and M. Charles Hernu, the Defence Minister, M. Mitterrand will be taking M. Hubert Curien, the Minister of Science, and M. Georges Lemaire, junior minister for overseas territories.

Success to the meeting on France's South Pacific strategy which M. Mitterrand has called for Friday in Mururoa, are the French ambassadors to the U.S., Japan, New Zealand, Australia, and to other smaller states in the region. Taking part as well will be senior officers in the armed forces including Admiral Rene Hughes, commander of the test area.

M. Mitterrand is linking his visit to Mururoa with a visit to Kourou in French Guiana, to watch the 15th launch of an Ariane space rocket.

The aim is to emphasise the link in French defence strategy between nuclear testing and the space programme.

The unexpected announcement of M. Mitterrand's visit has as yet received little comment from the opposition. Apart from impressing the Pacific basin countries with France's determination to remain a power in the region, the visit is also intended to deflect domestic criticism that the Government has allowed France's image there to be ridiculed.

Edouard Lalo, who stood as the ecologist candidate for the Presidency in 1981, said that there was a risk that M. Mitterrand's visit would be taken by the regional states as a "challenge".

Agencies' add: Australia yesterday denounced the forthcoming visit as "provocative." Mr Bill Hayden, the Foreign Minister, said many countries in the region opposed to the visit would see it as "very provocative."

France acts swiftly to appoint new head of railways

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government moved swiftly yesterday to nominate a new president of the French railways to replace M. Andre Chadeau who resigned on Tuesday after formally taking responsibility for the recent series of bad train accidents.

The new head of the organisation is to be M. Philippe Essig, 52, currently managing director of the RATP (the Paris transport network). An engineer who has worked with the railways or the Paris Metro for most of his career, his appointment is likely to be officially confirmed by the Cabinet next week.

M. Essig's most important task will be to encourage a greater sense of urgency among French rail workers over safety matters. The Government's complaint against M. Chadeau was that he should have acted early to tighten safety procedures and that he failed to respond to public anxieties on the issue.

Within the SNCF it was reaffirmed yesterday that the Government had asked M. Chadeau to step down. M. Paul Quilès, the Minister of Transport, said, however, that although he had expressed the Government's dissatisfaction over the handling of the accidents he had not

called on M. Chadeau to resign. French unions judged that M. Chadeau's resignation would have no direct consequence on the issue of improving safety. They blame the policies of the SNCF, which has been following, with government approval, of cutting financial losses through reducing the workforce.

The SNCF's deficit which rose to FF8.3bn (£710m) in 1983 was cut back to FF7.55bn (£670m) last year and is expected to be reduced to FF7.1bn this year. The SNCF has forecast that it will be back in balance by 1989. But the price has included a loss of 10,000 jobs over the two years 1984-85, with more to come.

Like M. Chadeau, M. Essig has experience in dealing with the Communists. A qualification required in the railways where the Communist-led CGT union is strong. He had day-to-day responsibility for the management of the RATP under a Communist president. M. Chadeau, when appointed as head of the SNCF in 1981, was privately given the task of checking the influence of M. Charles Fiterman, the then Minister of Transport, and a Communist.

Minister's trip to Albania may ease gold impasse

BY DAVID BUCHAN

FOR THE first time in 40 years, a French government minister is in Albania this week for an official visit that marks a further opening up of that country to its European neighbours, and that holds out the possibility of progress in resolving Tirana's diplomatic impasse with Britain.

France is one of the few countries to have relations with Albania, and as such it has acted this year as something of a "go-between" to help Britain try to settle its long-standing dispute with Albania. The International Court in 1949 nearly awarded Britain nearly £900,000 damages against Albania for the sinking in 1946 of two destroyers in the straits between Corfu and Albania.

Britain's position has been that, until that claim is paid, it will not agree to lease wartime gold which Albania claims. Tirana, for its part, wants to try to settle its long-standing dispute with Britain. The International Court in 1949 nearly awarded Britain nearly £900,000 damages against Albania for the sinking in 1946 of two destroyers in the straits between Corfu and Albania.

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officials in Paris, and in three rounds of talks has put forward what UK diplomats describe as a "reasonable compromise."

So far, Tirana has refused any agreement. But this week's visit by M. Jean-Michel Baylet, the French Deputy Foreign Minister, is expected to touch on the issue in talks with the government of Albania's new ruler, Mr Ramiz Alia.

M. Baylet has taken with him several French businessmen and journalists. The latter are normally excluded from such visits. He has indicated it would like to update its industry with Western technology.

Albania is in the process of forging new road, rail and sea links with neighbouring Italy, Greece and Yugoslavia. It has recently invited Western companies to help in exploiting oil and mineral resources.

In a speech two weeks ago, however, Mr Alia reiterated that he would never restore diplomatic links with Western powers. He said the two "Satans"—the U.S. and the Soviet Union.

Pope will not meet Jaruzelski

By Christopher Bobinski in Warsaw

POLISH OFFICIALS have abandoned hope of securing a meeting in Rome between General Wojciech Jaruzelski, Poland's military leader, and Pope John Paul before next month's parliamentary elections here.

Mr Jerzy Urban, the government spokesman, says no meeting is planned "in the near future" and has denied that any preparatory talks have taken place. Nevertheless, there have been consultations with both the Vatican and the Italian Government about a proposal that Gen Jaruzelski should stop over in Rome on his way to New York for the United Nations General Assembly meeting, and while there he should meet Prime Minister Bettino Craxi and the Pope.

Such meetings would have helped Poland's drive to achieve respectability in the West, and provided the authorities with a powerful argument to set against the Solidarity movement's call for people to boycott the elections.

However, the trial in Gdansk two months ago of three prominent Solidarity activists, Mr Adam Michalik, Mr Bogdan Lis and Mr Wladyslaw Frasyniuk, and the jail sentences they were given decided both the Pope and Sig. Craxi against meeting Gen Jaruzelski.

Mr Stefan Olsowski, the Polish Foreign Minister, hinted when in Rome in June that the sentences would be reviewed but no date has even been set for an appeal.

The fact that the meetings will not take place also lessens the chances of official agreement for a trip to Poland by Pope John Paul for eucharistic congress in 1987. Cardinal Jozef Glemp, the Polish primate, has set his heart on another papal visit here and had argued in favour of Gen Jaruzelski meeting the Pope in the Vatican.

Significantly, the Polish bishops' last communiqué failed to mention that the Pope might come to the congress.

In the Vatican, Cardinal Agostino Casaroli, the Secretary of State, with an eye to the church's relations with the whole of Eastern Europe had also been in favour of the conciliatory gesture by the Pope towards the Polish Government.

However, the Gdansk trial, the growing number of political prisoners, and the fact that a meeting with the general would have been a direct intervention in the elections persuaded the Pope against it.

Poland's bishops are hoping to stay neutral over the election issue, but the government will put pressure on them to vote on the day. In last year's local government elections, the majority of the bishops stayed away.

Spanish currency law in doubt

BY DAVID WHITE IN MADRID

THE ABILITY of the Spanish authorities to prosecute people alleged to have smuggled money out of the country between 1979 and 1983 has been called into question by a Constitutional Tribunal decision.

The Tribunal has suspended a jail sentence on one culprit while it decides whether the exchange control laws then in force breached the constitution. This is likely to take several months.

The six-month sentence and a Ptas 24m (£107,000) fine were imposed by a high court and confirmed by the Supreme Court.

Defence lawyers appealed to the Tribunal in April on the grounds that exchange controls restrict political liberties and can therefore only be enforced

through an "organic" law. Organic laws, which require an outright majority in Parliament, apply to fundamental rights and other provisions laid down in the constitution, such as the electoral system and the granting of regional autonomy.

The 1979 legislation covering currency offences, which replaced a previous law dating from the Civil War, was introduced in August 1983 to make it an organic law.

It is now possible that the authorities will find themselves with a legal void for the intervening years, which included two important events believed to have provoked relatively heavy capital flight—the attempted army coup of February 1981 and the Socialist party's election victory in October 1982.

The constitutional develop-

ment may also affect the so-called Palazon affair in which several society figures are accused of using an illegal network to funnel funds to Switzerland. It may also affect proceedings against former executives of the Rumasa group, which the Government seized in 1983.

However, the authorities would not in any case have been able to press currency charges against the former Rumasa chairman, Sr Jose Maria Ruiz-Mateos, now in West Germany. His extradition was recommended by a regional court in Hesse to face trial solely on accounting and falsification charges. Bonn is expected to decide on the extradition request once Sr Ruiz-Mateos's appeal for political asylum has been heard in Wiesbaden next month.

Central banks to issue reminder on capital

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

CENTRAL BANKS and other agencies responsible for supervising the banking system will be reminding commercial banks over the next few weeks of the need to ensure that off-balance-sheet business is adequately backed up with capital.

The reminder will follow a progress report made on Monday to central bank chiefs by a specialised committee of the Bank for International Settlements (BIS), which has been looking into the rapid expansion of off-balance-sheet business as banks become increasingly involved in underwriting short-term securities issues in the Euromarkets.

At their meeting on Monday, central bank governors of the world's leading industrial countries considered and rejected the idea of publishing some preliminary conclusions on the inquiry.

With more work to be done, the governors were anxious to avoid giving prominence to the issue of off-balance-sheet business at this stage and decided instead to inform banks on a national but co-ordinated basis.

Led by the Bank of England, central banks have been growing increasingly concerned at the way in which banks are piling up often un-disclosed risks on their balance sheets through their involvement in areas such as underwriting, interest-rate swaps and standby credit commitments. The note issuance market alone has ballooned to \$50bn from nothing five years ago.

U.S. wine duties urged

U.S. GRAPE growers and wine producers have renewed their request to federal trade authorities to impose special duties against imported Italian, French and West German wine. Reuter reports from Washington.

The American Grape Growers Alliance said the three European governments subsidised producers in 1984 by at least \$875m and added that much French and German

wine entered the U.S. "at less than half the cost of production."


The growers, who have battled unsuccessfully for several years for protection, asked the International Trade Commission and the Commerce Department to impose both countervailing and anti-dumping duties against the imported wines.

U.S. growers alleged the illegal foreign subsidies caused losses of more than \$300m for California grape growers alone last year.









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AMERICAN NEWS

Martin rejects optimistic view of U.S. economy

By PAUL TAYLOR IN NEW YORK

Mr Preston Martin, the vice chairman of the Federal Reserve Board, yesterday firmly rejected recent Administration assertions that the latest economic data suggests that the U.S. economy is "bouncing back" in the second half of this year.

Mr Martin, speaking in New York, repeatedly described the U.S. economy as remaining "sluggish" and said it would be "a very difficult undertaking" for the economy to move to a 4 per cent annual growth rate in the second half.

Comments contrast sharply with those of Mr Beryl Sprinkel, chairman of the President's Council of Economic Advisors, who on Friday cited the recent decline in the U.S. jobless rate as one of several pieces of "clear evidence" that the sluggish economy is "reviving up".

Mr Sprinkel claimed that these indicators supported the Administration's view that economic growth in the 1985 second half could reach a 5 per cent annual rate.

However, Mr Martin, like most private sector economists who expect real gross national product to grow at an annual rate of between 3 and 4 per cent in the second half, cast doubts on the real meaning of the latest batch of economic statistics.

"Let's not let two weeks of information blind us to the risks of continued sluggish growth," he warned.

Mr Martin said for the economy to expand at a 4 per

Fed to give guidance to banks on dividends

By Stewart Fleming in Washington

THE Federal Reserve Board is preparing standards to guide banks in their decisions on whether to cut or eliminate shareholders' dividends when they are experiencing significant problems, Fed chairman Mr Paul Volcker told Congress yesterday.

The Fed is also "actively considering" what limitations are appropriate on the freedom of banks to undertake "particularly risky activities" that may be sanctioned by state law but which "appear to extend beyond the intent and framework of federal legislation," Mr Volcker said.

In testimony before the Senate Banking Committee about the possible reform of the federal deposit insurance system, Mr Volcker warned Congress that this is "no time for over-reaction" to the problems in the financial sector.

Commenting later on the idea that the \$100,000 (\$27,000) insurance for depositors with funds in insured banks could be reduced, the Fed chairman said: "I do not believe that this is the time to inject more uncertainty into the system."

In comments which will be read as further evidence of the trend towards the re-regulation of the banking system, Mr Volcker said: "our financial history demonstrates unambiguously the dangers of relying on market discipline alone" to ensure that financial institutions behave in a prudent manner.

Market discipline, he added, did not prevent the bank failures prior to the 1930s.

While emphasizing that the health of the financial system has not been undermined by increases in the number of failures or near failures, Mr Volcker indicated that he is not anxious to see the rapid implementation of some of the more far-reaching changes in the federal insurance system under discussion.

Mr Volcker conceded that some savings and loan associations had "decided in effect to roll the dice by undertaking particularly risky activities" secure in the knowledge that the federal insurance system would bail out their depositors if they lost.

But he added that there was reason to question whether a change to an insurance system which levied higher premiums on banks taking higher risks would bring practical benefits.

He did endorse a phased-in extension of the deposit insurance system so that banks would pay a premium on their overseas deposits.

He said that the Fed is examining the option of a "risk related capital measure" and added that he found "attractive in concept" the recent proposal of the chairman of the Federal Deposit Insurance Corporation that the capital requirement for banks be increased to 9 per cent through the issue of subordinated debt.

THIRD TERM OF OFFICE VIRTUALLY ASSURED

Koch wins NYC mayoral primary

By TERRY DODSWORTH IN NEW YORK

MR ED KOCH, the irrepressible Mayor of New York, moved smoothly towards his third term of office yesterday when he swept to a resounding victory in the Democratic primary elections.

The result was widely expected after a race in which neither of Mr Koch's two main rivals had managed to gather the necessary momentum to mount an effective challenge to the incumbent.

The mayor won a convincing majority in virtually every constituency in the city, including most of the black and Hispanic communities, where he was said to be a weak candidate. At the final count he was given 63.6 per cent of the votes cast, only marginally short of the record 64.1 per cent won by Mr Robert Wagner in 1953, and well up from the 60 per cent Mr Koch amassed in the 1981 primary.

Victory in the primary virtually assures the 60-year-old



Koch: sweeping victory

mayor of re-election in the November 6 poll, since Democrats account for four out of five of every registered voter in New York City. He has shown throughout the primary that he has lost none of his

fabled ability to dominate and his finances are brimming over with cash—he spent \$5.4m (\$4.2m) on his campaign against the \$800,000 of his main rival, city council president, Miss Carol Bellamy.

Celebrating his victory yesterday, Mayor Koch acknowledged that there have been some weaknesses in his previous administrations, and said that he has sometimes given in to political expediency.

He also sought to respond to the criticism that he has done far too little for the poor in the city, the main issue on which he was attacked by Miss Bellamy, the candidate of the Liberal wing of the Democratic Party.

Commenting on the perception of New York as a city sharply divided between the rich and the poor, he said: "I would like that there be no longer the concept that there are two cities. I'm going to try desperately to make sure that the poor have available to them acceptable minimums below

which they may not fall."

Mr Koch said he would concentrate on fiscal stability, the particularly deprived Hispanic poor—"without in any way limiting what we do for black poor or white poor"—and improvements in essential services, especially housing, education and mass transit.

If Mayor Koch carries the city in November, he will become only the third man to hold the office for three terms in modern history. The previous two were Mr Robert Wagner in the 1950s, and Mr Fiorello LaGuardia, a legendary figure who became known as "the little flower" after starting his administration in the depths of the depression in 1934.

Mr Koch has frequently said that he wants to be measured by Mr LaGuardia's standards. "It would be nice, obviously if history ultimately were to say there was another mayor that came to the same pinnacle," he said yesterday.

Brazilian bank workers begin strike

By Andrew Whitley in Rio de Janeiro

AN indefinite strike by nearly 700,000 bank workers throughout Brazil began yesterday amid clashes between police and pickets.

The strike, threatening rapidly to bring chaos to the country's financial system, will be a severe test of the resolve of President Jose Sarney's government to hold the line against inflation—boosting increases in salaries.

Yesterday morning, first reports from around the country indicated that the strike was being largely observed in major urban centres. Only a few branches stayed open, with the help of police who used teargas to disperse pickets.

Mr Dilton Fumero, the recently appointed Finance Minister, acknowledged that the consequences of a prolonged stoppage could be severe.

The loose grouping of trade unions representing lower grade bank employees in Brazil have united behind a demand for the incorporation into basic rates of pay of a 25 per cent bonus already granted, a real salary increase of 10 per cent, and quarterly, as opposed to six monthly, wage adjustments.

Petrobras, the Brazilian state oil company, has announced the discovery of the country's largest oil find. The new field, in the Campos Basin, the leading oil producing region, could contain as much as 150 billion barrels of crude, of which an estimated 300m is said to be recoverable. Sr Helio Beltrao, president of Petrobras, said on Tuesday the new find could raise the country's confirmed reserves by as much as 40 per cent.

GTE pleads guilty to obtaining Pentagon papers

By PAUL TAYLOR IN NEW YORK

GTE, the U.S. telecommunications group, said it will plead guilty to federal criminal charges that its government systems unit, a vice president and a former company consultant illegally obtained Pentagon budget and planning documents dealing with electronic-warfare programmes during the early 1980s in order to help prepare bids for military contracts.

GTE's action came after the federal criminal charges were filed in court. The company said it would pay \$500,000 (\$454,000) to the Government to cover the costs of the Defence Department investigation, it would also adopt internal controls to prevent misuse of classified documents.

Canada unveils measures to assert Arctic sovereignty

By BERNARD SIMON IN TORONTO

THE Canadian Government has unveiled a number of military and legal measures to assert its sovereignty over a wide area of the northern Arctic.

Mr Joe Clarke, Foreign Minister, told Parliament that the authorities plan to increase military surveillance flights over the Arctic, and will proceed with construction of the world's most powerful ice breaker, a C\$500m (\$278m) vessel, able to cut through ice 2.5 metres thick.

In addition, the Cabinet has issued a detailed description, in the form of so-called straight

base-lines, of areas in the northern Arctic archipelago which Canada considers to be internal waterways.

The measures follow a controversial journey by U.S. Coastguard ice breaker Polar Sea through the North West passage last month. The U.S. Government refused to seek Canada's permission for the voyage arguing that Arctic waters are international territory open to all shipping.

Canada has long claimed sovereignty over the Arctic seas north of its mainland but its power to enforce these claims has been limited.

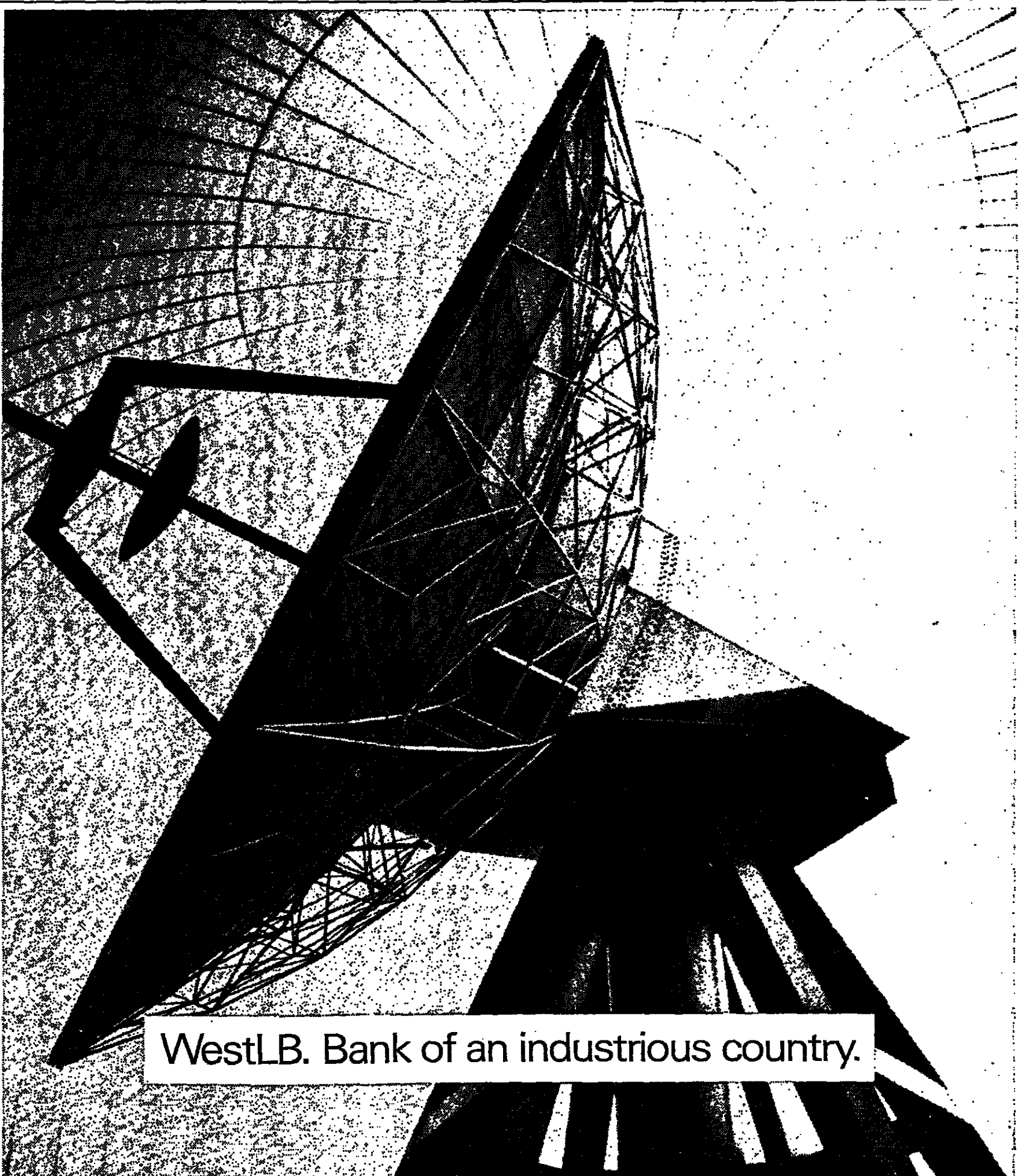


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OVERSEAS NEWS

BRITISH CABINET TO MEET ON SOUTH AFRICA

EEC hits at UK sanctions stance

BY QUENTIN PEEL IN STRASBOURG

THE EUROPEAN Commission yesterday publicly criticised the British Government for withholding its support from a common package of EEC economic measures against South Africa, and came out in favour of stepping up the pressure for an end to Apartheid.

Mr Willy De Clercq, Commissioner responsible for external relations, told the European Parliament that proposals for further measures — including trade sanctions — were ready to be presented to the member states as soon as they reached a consensus on the issue.

The British Government refused to back the package of limited measures — including formalisation of the effective embargo on North Sea oil supplies to South Africa, and the withdrawal of military attaches from Pretoria — approved by the other nine Community members in Luxembourg on Tuesday.

However, the whole British Conservative group in the Parliament yesterday decided to vote in favour of the Luxembourg package, and in defiance of London's request for further time to consider the issue.

In a speech delivered to the Parliament in Strasbourg on behalf of the whole Commission, Mr De Clercq declared that the British reservation "had not helped Europe."

He said the package of measures was not spectacular, but provided a political signal to the South African Government that the writing is on the wall for the Apartheid system. Officials in Strasbourg yesterday would not comment on what specific proposals the Commission had in mind, although they would certainly concern major items of South Africa's trade with the Community such as coal, steel, and fruit, as well as minerals.

Mr De Clercq's statement amounts to a highly unusual departure of the Commission into what is a clearly political domain.

It reflects wide agreement among its members on the need and the inevitability of increasing pressure on South Africa. Robert Marthamer, Diplomatic Correspondent, adds: "The British Cabinet is today due to discuss the problem of sanctions against South Africa, following Tuesday's agreement by its EEC partners."

The Cabinet is due to hear a report on Britain's policy since from Sir Geoffrey Howe, the Foreign Secretary, who returned last night from a visit to Nigeria, or Malcolm Rifkind, Minister of State, Foreign Office, who attended the meeting of EEC Ministers in Luxembourg.

British officials yesterday described the decision of the nine other EEC member-countries as

no more than "codifying existing practices" in most cases.

They stressed that Britain was already applying a ban on exports of military and nuclear equipment as well as computers to South Africa.

It was pointed out in London that the decision by the Nine to withdraw military attaches was, in the case of the majority of EEC countries, an empty gesture.

Only Britain and France of the present Community members, Spain and Portugal, had military attaches in Pretoria.

Mr Raftery had made it clear that Britain was opposed to the withdrawal of its military attaches because they provided valuable information on the activities of the South African armed forces which played such an important part in the ruling establishment.

Iran navy boards another cargo ship

By Our Middle East Staff

THE IRANIAN navy yesterday boarded another cargo vessel in the Gulf, the fifth that it has stopped this month.

The ship, the Jin Jiang, was en route to Kuwait via the Strait of Hormuz when it was taken into the Iranian port of Bandar Abbas where it was being unloaded.

Iran has adopted a more aggressive attitude towards vessels heading for Kuwait, apparently in response to intensified Iraqi air attacks on its main oil export terminal at Kharg Island.

Iraq claimed yesterday its fifth attack on Kharg in less than four weeks. Since the middle of August, it has been attempting to bomb the terminal rather than attack the vessels using it.

However, with aircraft operating from a very high altitude, the chances of a direct hit being scored on a loading jetty are relatively slim and only slight damage has so far been reported.

Since the outbreak of the Gulf war nearly five years ago, Iran has repeatedly warned Kuwait against allowing its ports to be used as an Iraqi supply route.

These warnings have been stepped up in the last month and Iran has said it will halt any vessel which it believes may be assisting Iraq's war effort.



Nelson Mandela

Mandela 'needs operation'

THE imprisoned black leader Nelson Mandela has an enlarged prostate gland, with cysts on his liver and right kidney, and doctors say he needs surgery.

Mr Mandela's daughter Zinzi said after visiting him at Cape Town's Pollsmoor Prison yesterday, AP reports.

Zinzi Mandela said her father looked well but the family is asking for their own physicians to examine him. No date for surgery had been set. Mr Mandela's daughter added, "She did not say if her father had decided to go ahead."

The significance of his condition was not clear. The Prison Service had no immediate comment.

Mr Mandela, 67, is the leader of the outlawed African National Congress (ANC), the main guerrilla organisation opposed to white-minority rule. He was jailed for life in 1964 after being convicted of planning sabotage.

Word of his condition followed an 80-minute special visit that prison authorities granted to his wife, Mrs Winnie Mandela, and his daughters Zinzi and Zanele.

"My father looks very well and he was very happy to see us," Zanele said in a prepared statement read at Cape Town's D. F. Malan Airport.

He told us he had been seen several times by prison doctors since March 23 and was X-rayed.

In Durban yesterday, South Africa's tough security laws suffered a serious setback when a court ordered the release of a church worker detained without trial under a regulation used frequently in government crackdowns on dissidents.

The city's supreme court overruled state objections and ordered the immediate release of Mr Paddy Kearney, head of a church relief agency who was detained two weeks ago.

Lawyers said it was the first time South Africa's Internal Security Act had been tested in court.

Hussein believes Arafat serious about peace

By Walter Ellis in Tel Aviv

KING HUSSEIN of Jordan firmly believes that Mr Yasser Arafat, chairman of the PLO, the largest faction within the Palestine Liberation Organisation, is serious about talking peace with Israel, according to leaders of the American Jewish Congress. Walter Ellis reports from Tel Aviv.

The delegation had previously spoken in Cairo with President Hosni Mubarak of Egypt and reported yesterday to Mr Shimon Peres, the Israeli Prime Minister, in Jerusalem.

According to the Americans, headed by Mr Theodore Mann, the congress President, King Hussein believes that Arafat may now be ready to accept a Palestinian state based on the West Bank and federated with Jordan.

The king is reported to have stressed the "moderating" nature of Arafat within the PLO and said that Mr Arafat was not involved in organising present violent incidents in Israel and on the West Bank.

Israel should now put Mr Arafat to the test, the king is reported to have said. If he did not show willingness to compromise, then he, the king, would consider ending his present talks with the PLO.

Sri Lanka poll test for peace

THE RESULTS of a by-election in the southern Sri Lankan area of Mullitigala today will test the Government's will to resume the India-sponsored talks with the minority Tamil leaders, Mervyn de Silva reports from Colombo.

"For the first time in our island's history, the Sinhalese have become refugees in their own country," said the opposition leader, Mr Anura Kumaraaratne, who is spearheading the campaign by the Freedom Party (FP) in a seat traditionally held by the ruling UNP party.

If the UNP retains the seat the Government's position on the Tamil problem will be greatly strengthened. A Sri Lankan Government team left for New Delhi for more talks yesterday.

China growth aim

China is aiming at annual economic growth of 7 to 8 per cent during the 1986-1990 Five-Year Plan, Deng Xiaoping the Chinese leader, said yesterday, Renter reports from Peking.

The draft of the seventh Five-Year Plan is to be presented to a Communist Party conference for approval later this month. The planned growth rate in 1981-85 was 4 per cent a year. But the actual figure was nearer 10 per cent.

Japanese brokerage chief urges issue of \$10bn 'Nakasone bonds'

BY JUREK MARTIN IN TOKYO

THE president of Nomura Securities, Japan's largest brokerage house, has urged his Government to issue some \$10bn (£7.1bn) worth of "Nakasone bonds" to try and help raise the value of the yen against the dollar.

It was reported yesterday that Mr Setsuya Tabuchi's revival of an old idea had attracted the interest of Mr Yasuhiro Nakasone, the Prime Minister. However, the powerful Ministry of Finance was said to remain sceptical.

"Nakasone bonds" are derived from those issued under President Jimmy Carter's name in Europe in 1979, when the dollar was extremely weak.

Whether yen-denominated or convertible into yen, their purpose would be to attract capital into Japan, either from foreign investors or from the vast pool of dollars held by Japanese outside the country.

As such, according to Mr

Tabuchi, they would serve as a preferable alternative to attempts to control the outflow of long-term capital from Japan, mostly to the U.S., which has been running at record levels.

Only last weekend, Mr Nakasone, desperately seeking to appease the U.S. before he goes to Washington next month, urged the Ministry of Finance to "jawbone" Japanese institutions into reducing their foreign bond purchases.

The Finance Ministry has reacted with much caution, and has pointed out publicly that interference with capital flows runs counter to the policy of financial liberalisation to which the country is committed.

It has also been instrumental in ensuring that "Nakasone bonds" were shelved the last time they were freely mooted — in the summer of 1983. On that occasion, and possibly again now, the Finance Ministry expressed concern about the possible consequences for the

cost of domestic financing operations.

Another indication of the extreme nervousness now afflicting Japanese politicians about relations with the U.S. was provided yesterday, when Mr Susumu Nakada, deputy leader of the ruling Liberal Democratic Party, called for an international conference on exchange rates.

Mr Nakada, who will be preceding his Prime Minister to Washington, is far from alone in believing that currency misalignment is the root cause of much, if not all, of Japan's trade imbalance with the U.S.

But the Japanese Government was noticeable for its reluctance to offer any support to a similar French call for such a conference last year.

It appears that the impotence and enormity of the U.S. protectionist threat is causing the politicians, at least, to think again.

Australian trade deficit slimmed

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA'S trade deficit was slimmed to A\$55bn (£28bn) last month, down A\$45bn on the previous month, the latest figures from the Treasury.

For the first two months of Australia's 1985-86 financial year (July and August), the trade deficit totalled A\$544m against A\$607m last year, while the current account deficit for the first two months was A\$2.2bn, against A\$2.1bn.

The Australian Council of Trade Unions (ACTU), yesterday ratified a two-year extension of its pay-and-prices accord with Mr Bob Hawke's Labour Government.

Unions are to accept lower-

than-normal wage increases next April to help counteract the inflationary effects of the Australian dollar's depreciation, in return for tax cuts.

Mr Ralph Willis, the Employment minister, told the ACTU yesterday: "We have the extreme irony in Australia at present that after two years of responsible behaviour, with overwhelming adherence to the accord, and record low levels of industrial disputes, the conservative political parties are doing all in their power to generate hysteria about excessive union power."

Pyongyang and Seoul try to secure their futures

North Korea courts Moscow's favours

BY STEVEN B. BUTLER IN SEOUL

A VISIBLE and highly-publicised improvement in relations between North Korea and the Soviet Union has political and military analysts in Seoul, the South Korean capital, wondering how far the trend will continue.

The delivery of MIG 23 aircraft to the North has already begun, and modern surface-to-air missile systems are expected soon. The North's most sophisticated aircraft, previously was the antiquated MIG 21, supplied by China.

On August 15, as part of the 40th anniversary celebration of the Korean liberation from Japanese colonial rule, three Soviet warships called in the port of Wonsan, the first visit ever of Soviet naval vessels to North Korea.

The Soviets also sent a high-powered delegation headed by Mr Geydar Aliyev, the first deputy premier, to attend the celebrations in Pyongyang, the North Korean capital. A delegation from China, which has had close ties with North Korea, was notably absent.

Soviet bombers have also been spotted recently in training manoeuvres over North Korean airspace.

Most analysts, however, are treating these developments with caution. The capabilities of the MIG 23 depend largely on its package of radar and other electronic and weapons systems, which are currently unknown, but it cannot be denied that the air superiority provided by the ELIs and F16s deployed in South Korea.

Military specialists say that because of the mountainous terrain, air superiority in any war in Korea would be a crucial factor, as it was during the Korean war in the 1950s. The North's superiority in ground forces and armoured units would not give it an automatic edge.

Mr Kim Il-sung, the North Korean President, has for 40 years preserved independence by playing a balancing act between Peking and Moscow. Until recently, relations between North Korea and the Soviet Union have been some what cool, apparently reflecting Moscow's suspicions over Pyongyang's intentions, and Moscow's desire to avoid an outbreak of war in Korea.

Diplomats say the improvement in relations reflects North Korea's aggressive stance in the region, and an effort by North Korea to broaden international support as it faces a leadership succession. Mr Kim is expected to

transfer power to his son, Mr Kim Jong-il, in the near future.

Mr Kim Il-sung is trying to build himself into a strong position vis-a-vis the South, says one Western diplomat.

The North is concerned about the prosperity and rising international acceptance of South Korea, as symbolised by the 1988 Olympics, which are to be held in Seoul. North Korea's recent bid to co-host the Olympics has been supported by Moscow, although South Korea has flatly rejected the idea.

While North Korea has improved relations with Moscow, it has also been careful to preserve close ties with China.

Kim Il Sung

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Taking a dip in spy-infested seas

AS THE sun descends slowly toward the Taebaek mountains, which form a high natural barrier down the eastern part of the Korean peninsula, thousands of young men in khaki combat uniforms, helmets and high black leather boots, pick up their automatic rifles and head for the beaches, writes Steven B. Butler.

They will spend a lonely night inside tiny concrete bunkers waiting to catch North Korean frogmen who attempt to sneak ashore.

The soldiers are in the popular South Korean beach resort of Kyongpodo, near Kangnung, which in late August is still open to the public.

The teams of men work their way methodically down the beach, shovelling clean white sand into two parallel mounds that run for kilometres down the waterfront. More soldiers follow, raking the sand smooth. They will walk the length of the beach again in the morning, looking for telltale footprints.

Infiltration does not happen very often, even though South Korea has hundreds of miles of shoreline to protect. Searchlights scan the waters at night and the bark of gunboats from a nearby bunker can often be heard.

Last spring, a sharpshooting draftee opened fire on a black bulk swimming toward land. He and his buddies then hauled ashore one dead dolphin. Still suspicious, they cut open the hapless animal in an unsuccessful search for North Korean spy equipment.

The soldier earned a citation for his quick thinking. South Koreans have learned to live with intense security precautions, although it mars the scenery. Beaches are divided into sections, broken up by dramatic rock outcroppings and high bluffs, run up and down Korea's east coast, along the cool clear waters of the Sea of Japan (Korea calls it the East Sea).

During the four-week season from mid-July to mid-August, millions of South Koreans take two or three days off from work, their only vacation for the year, and crowd on to these beaches. Vacation for Koreans, most of whom grew up in poverty, is still a new concept. They have not quite caught on to the idea yet, but they play with an intensity that is matched only by the ferocity with which they work during the rest of the year.

FOREIGN investment in South Korea is expected to reach about \$500m (£257m) in 1985, surpassing the official target of \$450m and the record \$419m last year, Finance Ministry officials said. Renter reports from Seoul.

Mr Kim Young-suk, director of the Finance Ministry, said only about \$200m in foreign investment had been approved in the first eight months of 1985, against \$322m in 1984, but more than \$300m in applications were still pending.

The total is the highest since South Korea began allowing foreign investment in 1962, he added.

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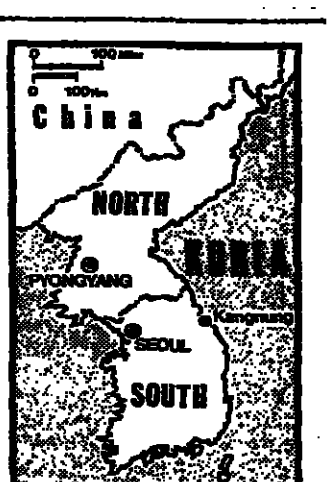
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As the evening descends, they give up the beaches to the army, and retreat to nearby camping grounds.

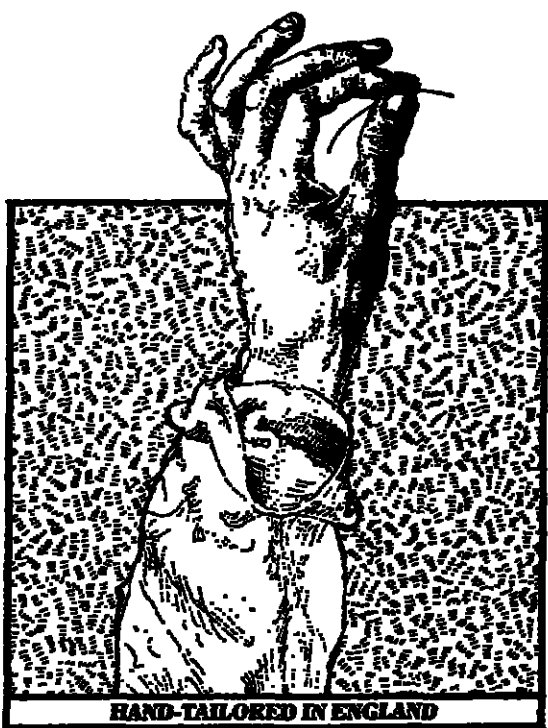
By August 20, despite the burning heat, the crowds have dwindled to nothing, and soldiers have re-erected fences along most of the shoreline.

They insert white-painted stones into cracks in the fence so the stones will fall out at the slightest bump. Just beyond the fence at intervals of a few inches, piles of small white stones wait to be toppled by a careless foot, should anyone manage to make it that far out of the water.

Gates through the fences stay open during the day for late season swimmers. But on or off season, Korea is not the place for a romantic stroll by the waves.



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In education or commerce, public service or private practice.

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can help you work better and faster. SMT has tested best-selling packages like Lotus 1, 2, 3, Wordstar, Multiplan and dBase III. All run immediately and from two to five times faster than on other compatibles.

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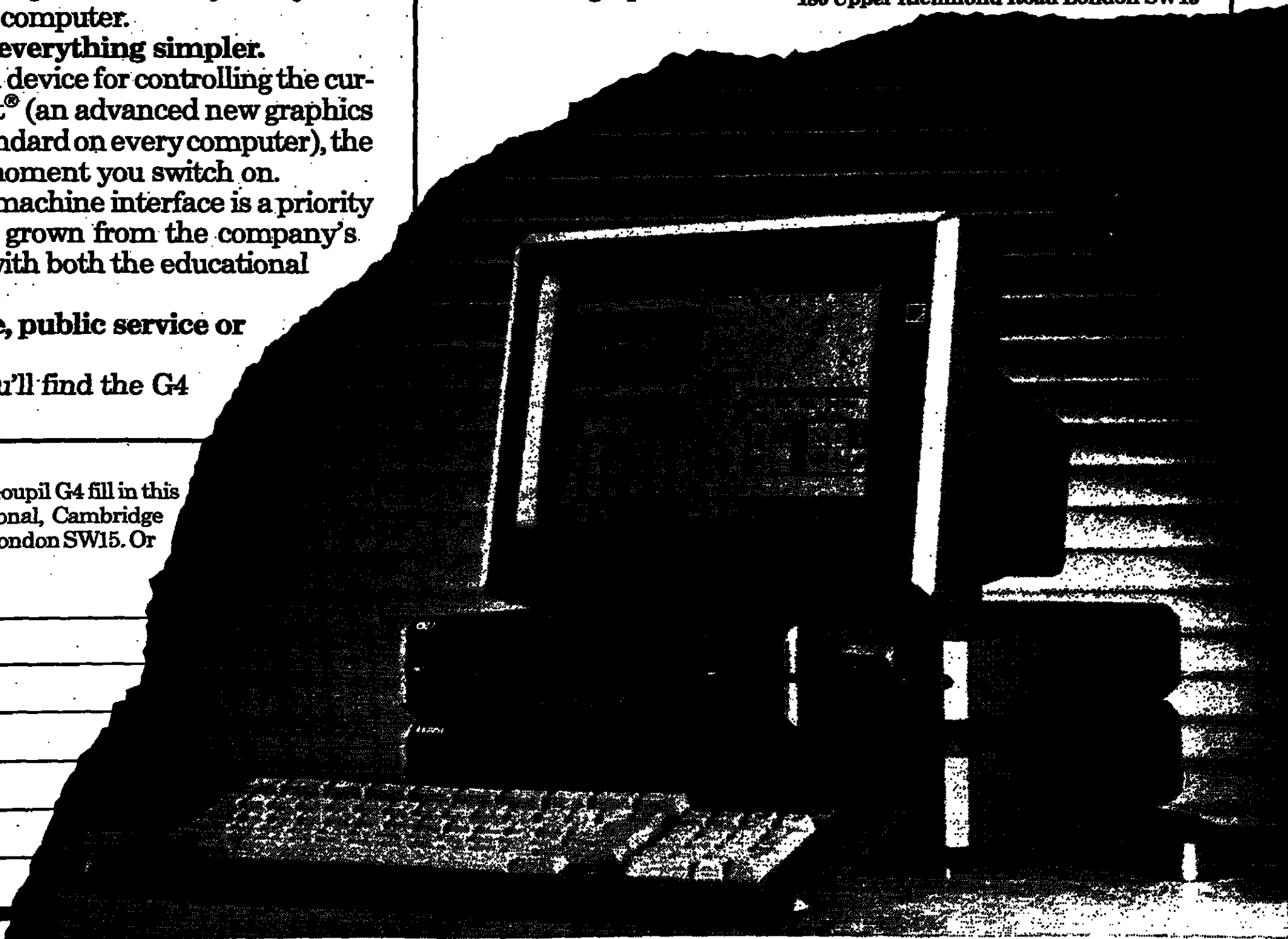
For further information on the new Goupil G4 fill in this coupon and post to: SMT International, Cambridge House, 180 Upper Richmond Road, London SW15. Or phone 01-785 2411.

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WORLD TRADE NEWS

China port projects to be speeded up

By Robert Thomson in Peking
THREE port projects in China are to be speeded up. The move came as congestion at ports continued, with around 400 ships reported to be waiting to unload their cargoes.

Diplomats in Peking have warned that the congestion is due to become much worse as the pace of trade quickens after the summer slowdown. The move to speed up port development is, however, unlikely to provide any immediate relief.

Details of the three projects were given by the Communications Ministry which claimed that the situation at the ports has "taken a turn for the better." Ministry officials released details of the expansion of the three ports.

● At Hainan Island, off southern China, total port capacity is to be raised from the present 7.5m tons to 12m tons by 1990. A new deep water port is to be built on the island at Yangpu Bay, which the Chinese hope, will eventually be able to accommodate 30,000-ton vessels.

● An international port will be built in the middle reaches of the Yangtze river at Jiujiang, which is now the site of a domestic port.

Expansion there will cost about \$30m, and is expected to start next year and be completed within two and a half years. The intention is to ship export products overseas directly from the improved port rather than transporting them to Shanghai or Guangzhou (Canton) for shipment.

● The third development is at Jinzhou harbour, in the northern province of Liaoning, where construction is expected to start in coming weeks of five berths with a total annual handling capacity of 3.75m tons. No completion date was released. Officials in the province hope the new facility will improve the passage of oil exports from the Daqing oilfield, China's largest.

AP adds from Peking: Poland's Trade Minister said on Tuesday that his country's barrier trade with China was more than triple this year to over SwFr 1.5bn (\$474m). Mr Tadeusz Nestorowicz, quoted by the official Chinese news agency, Xinhua, said the figures surpasses the level agreed on by the two countries last January, when trade was targeted at SwFr 1.3bn, a 180 per cent increase over 1984.

Need for Gatt round underlined by Reagan warning

BY WILLIAM DUFFLORCE IN GENEVA

PRESIDENT Ronald Reagan's warning that he would take retaliatory trade measures against Japan, the European Community and other countries which fail to come to terms over their alleged "unfair trading practices" by December 1 is seen in Gatt (General Agreement on Tariffs and Trade) headquarters as underlining the urgent need to get new multilateral trade negotiations going.

Active by the U.S. President could also intensify the tension between the industrialised countries and some developing nations over the purpose and substance of new trade talks.

This would be particularly the case if Mr Reagan were to use Section 301 of the 1974 U.S. Trade Act, to impose restrictions on imports of goods to the U.S. in an attempt to force concessions from another country on exports of U.S. services.

The belief that the U.S. will use a new round of multilateral talks to trade make concessions on trade in goods for advantages to itself in exporting services lies at the heart of the opposition by such countries as Brazil and India.

Of the issues on which the White House says it wants action from its trade partners, two—Japanese quotas on imports of leather goods and EEC subsidies to canned fruit producers—are being dealt

The South Korean Government has said that it "deeply regrets" President Ronald Reagan's decision to launch an unfair trade practices investigation against the Korean insurance industry, Steven B. Butler reports from Seoul.

The muted response gave no clue as to whether Korea would speed-up its own schedule for opening the domestic industry to foreign competition. In the past, South Korea has resisted unilateral pressures to reduce restrictions in specific industries or products, especially when a fledgling local industry is at stake.

The Government had planned to begin liberalising the fire insurance industry in 1986, and following that the life insurance business.

In the early 1980s, the Korean Government, largely on its own initiative, began to implement a wide-ranging, phased liberalisation of domestic markets to outside competition. The programme has recently come under sharp attack from domestic business groups and from the political opposition, which argue the liberalisation is being undertaken too quickly.

the present scope of Gatt. The Americans' drive to force South Korea to ease its restrictions on foreign insurance companies concerns trade in services which are not covered by Gatt rules.

The U.S. attack on Brazilian restrictions against foreign computer imports looks like an attempt to force the issue on trade in high technology goods which Washington also wants to be on the agenda of a new round.

Both these cases break out of Gatt's existing fabric. They express U.S. impatience with the constraints of the present Gatt structure but Gatt officials insist, cannot be read as exposing any failure in the Gatt process for resolving disputes.

More than 50 disputes have been successfully settled by the Gatt procedure of referring them to panels of experts, which then make recommendations to the Gatt council. The panels have only advisory roles.

On the other hand there is considerable understanding within Gatt of U.S. frustration in getting disputes with the EEC over trade in agricultural products settled. The problem here is that Gatt cover on farm products, because of the strong reservations on the matter by many countries, is incomplete and its rules are imprecise.

In the quarrel over wheat exports, for instance, where the U.S. claims that EEC subsidies are winning it an inequitable share of world trade, the Gatt panel was in effect asked to define what a "fair share" of the market was and to what extent an increased share was caused by subsidies or by marketing skills.

On the agricultural side so many rules have been left deliberately imprecise when originally formulated—which could be reason enough for reformulating some of them in a new round of talks.

For example, the countries in which DAF has its factories, Holland and Belgium, could jointly "adopt" a country in Africa and, in co-operation with other industries, contribute the know-how and resources for the construction of a proper network of roads and the development of a local transport equipment industry.

"The best way to develop a country is to open it up. It is the duty of industrialised countries to make the Third World a partner in the total economic process."

"Only in this way will it be possible to develop such countries into fully-fledged economic partners, a situation that would benefit both those countries and Europe."

Mr van der Puij said DAF would produce more than 14,000 vehicles this year against 13,645 in 1984, and 15,000 in 1986.

Nissan Diesel is negotiating to supply trucks to International Harvester of the U.S., a company spokesman said, Reuters reports from Tokyo.

Nissan Diesel chairman Mr Takahashi Matsuyama and president Mr Isamu Kawai have been in the U.S. since September 7 for talks with International Harvester but a company spokesman declined to give details of negotiations.

The company is expected to supply eight-ton trucks to International Harvester early next year, eventually raising exports to 3,000 a year, and to sell its truck production technology, industry sources said.

Nissan Diesel exports 17,000 trucks a year to South-East Asia, the Middle East, Australia and New Zealand but none to the U.S.

Plan urged for cutback in Europe's truck output

By Kenneth Gooding in Frankfurt

A CALL for European governments to co-ordinate a steady reduction in European truck production capacity as manufacturers are forced to move assembly to developing countries over the next 10 years, was made yesterday by Mr Aart van der Puij, chairman of DAF Trucks.

"By giving active assistance with starting-up industries and transferring know-how Europe will remain of great importance to those developing countries," he said during the run up to the Frankfurt Motor Show.

He admitted it would be a laborious process but a useful start could be made if two or three European countries came to such an arrangement.

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Keiran Cooke on why Indonesia hopes to reverse the decline of Japanese investments
Japan gives Jakarta planners a \$360m fillip

INDONESIA's economic planners pondering the dramatic decline in Japanese investment in their country are due to receive a much-needed fillip this week.

The visit of a high-powered Indonesian trade and investment delegation to Japan is set to culminate in the signing of \$360m worth of projects

contracts with the Japanese. The deals include a petrochemical plant, a diesel engine manufacturing facility and a plant to make compressors, although work on some of the projects may not start for some time.

Since the development-orientated Indonesian Government of President Suharto came to power in the late 1960s, Japan has been by far the biggest investor in Indonesia and in most years Indonesia has been the major recipient of Japan's overseas investment funds.

From 1969 until the end of last year Japan had cumulative investments in Indonesia of about \$5bn (\$3.5bn) compared with the U.S., which was ranked second with \$1.83bn committed over the same period.

Last year, Hong Kong was the biggest investor in Indonesia: most of the funds are believed to be reinvested capital from

Indonesian-owned holding companies in Hong Kong. Japanese investments have plummeted recently from \$832m in 1982 to \$458m in 1983 to \$31m last year.

The Indonesian delegation in Tokyo, led by Mr Sumartono, the Minister of Planning, and Mr Ginandjar Kartasasmita, the Minister responsible for investment, said before they left Jakarta that they would inform the Japanese of their concern at the investment downturn.

One of the reasons for the decline is that over the past two years Japanese companies have been attracted by high interest rates and buoyant growth in the U.S. and, to a lesser extent, Europe.

In addition, increasing friction over the U.S.-Japan trade imbalance has stimulated Japanese investments in North America and so channelled funds away from countries such as Indonesia.

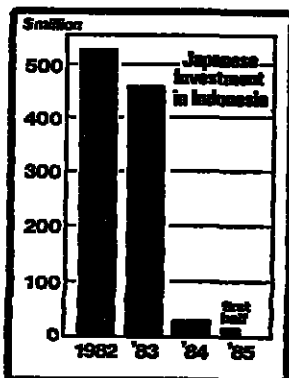
The domestic market in Indonesia, to which most of the more than 250 Japanese-Indonesian joint venture companies have geared their activities, is in recession, mainly because of the downturn in revenues from the country's vital oil sector. In the automobile industry, in which Japanese companies have

an overwhelming presence, demand has dropped by more than 50 per cent in the last year.

Japanese investors, who have participated in most of Indonesia's big development projects—from the building of fertiliser and liquefied natural gas terminals to constructing an alumina refinery—have been hit by cut backs in several Indonesian development projects.

The Japanese have also been showing an increasing tendency to focus more attention on China.

Mr Yoshihiko Kinoshita, a Japanese banker with long ex-



perience in Indonesia, described what was happening as not just cyclical downturn in Japanese investment in Indonesia but "a structural slump." He said that few Japanese companies operating in Indonesia were making money.

Mr Kinoshita added that red tape regulations on ownership and increasing competition in most sectors from local companies, made Indonesia unattractive for either domestic or export-orientated investment.

Many Japanese companies, he said, had gone bankrupt, while others had packed up and returned home. Some Indonesian officials have accused Japanese investors of deserting the country, having made substantial profits from the domestic market during the oil boom years of the 1970s.

Japan, they claim has benefited enormously from its involvement in Indonesia over the past 15 years, they also say that the Japanese have been allowed greater access to the Indonesian market than anyone else, a point which has often angered local manufacturers and other foreign investors.

Indonesia is not only concerned about the changing direction of Japan's investment, but it also feels that Japan is

reneging on trade commitments, particularly on buying its oil, which accounts for more than 60 per cent of total export earnings.

Over the past 12 months, Japan has been buying more oil on the spot market from non-Opec members like China. This has hurt Indonesia, which exports about 50 per cent of its oil to Japan.

Mr Kartasasmita, speaking before he left for Tokyo, said Indonesia had always been a reliable and loyal supplier of oil to Japan.

"Indonesia did not desert Japan during the oil shock in the late 1970s. Japan, therefore, is expected to show similar solidarity when Indonesia is facing difficulties in marketing its oil."

Another point of contention between the two countries is over plywood. Indonesia is angry that Japan still places a higher import duty on Indonesian plywood, a vital non-oil and gas export, than imports from the U.S.

On a recent visit to Indonesia a Japanese minister described investment and trade partnerships between Indonesia and Japan as being "like a pipeline of gold with that link cut."

The pipeline shows increasing signs of drying up.

PKBanken signs Soviet Ecu accord

By David Brown in Stockholm

SWEDEN's state-owned commercial bank, PKBanken, has become the country's second financial institution to sign a framework agreement with the Soviet Bank for Foreign Trade to provide Ecu-denominated financing, for the export of Swedish capital goods.

Agreement on the Ecu 200m (\$115m) facility follows an intergovernmental protocol on Soviet-Swedish trade, signed earlier this year in which Moscow agreed in principle to pay for its purchases in the European currency unit. This followed strong pressure from the Government in Stockholm which was concerned that

relatively high Krona interest rates had put Swedish exporters at a competitive disadvantage on the Soviet market.

Total Swedish exports to the Soviet Union were valued at SKr 2.3bn (\$204m) last year, but bank sources expect this figure to increase in 1985.

The terms of the PKBanken deal call for a 7.5 per cent interest rate on five-year credits and a 7.5 per cent rate on longer term loans, of up to eight years.

Svenska Handelsbanken signed a similar agreement with the Soviet bank several weeks ago. Skandinaviska Enskilda Banken, Sweden's largest commercial bank, is understood to be in the final phases of negotiation.

Hungary seeks Japanese aid for five-year plan

BY PATRICK BLUM IN VIENNA

MR GYORGY LAZAR, the Hungarian Prime Minister, due in Japan for an official visit later this week will be seeking Japanese financial and industrial assistance for Hungary's next five-year plan, according to MTI, the Hungarian news agency.

Japanese banks have already said they intend to provide more loans and credits to Hungary, the agency says. The visit, the highest ranking contacts between the two countries since diplomatic relations were re-

established in 1959, is being billed in Budapest as an important step in strengthening economic ties between the two countries and in building up the East-West dialogue.

The Hungarians, disappointed in their hopes for a closer relationship with the European Community, are placing high hopes on Mr Lazar's visit.

It is hoped that Japan will play a more important role in helping Hungary to modernise and develop its industries during the next five year plan

NOTICE OF REDEMPTION
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Switzerland

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The authority of a classic six cylinder, fuel injected 4.2 litre engine or the awesome 5.3 litre V12, both producing ample power to minimise driving hazards, and seemingly to diminish every other vehicle on the road. The uncanny blend of balance and unobtrusiveness in handling.

For 1986, we've even managed some refinements.

A somewhat lighter interior, employing doeskin pillar trim in place of the black used hitherto. The choice of four distinguished new exterior colours, with matching coach lines.

Headlamp wash/wipe as standard on both models. Etched stainless steel front and rear treadplates. (We make no apology. To a Sovereign driver, the quality of the treadplates is of importance.)

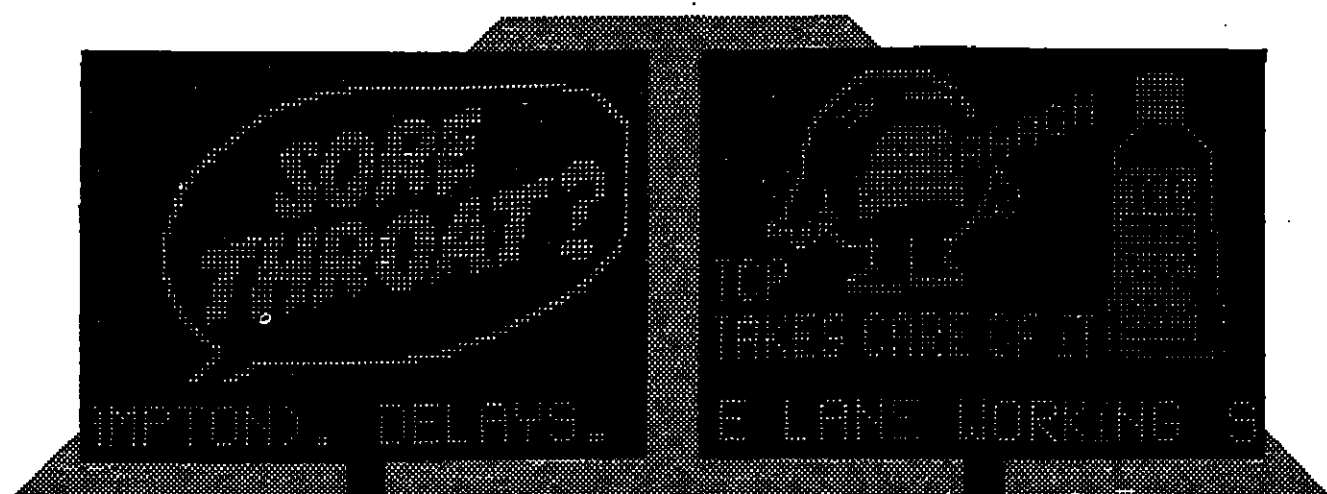
And when you consider that a new Sovereign provides all this at a cost measurably less than that demanded for 'comparable' motor cars, you'll agree that the decision to choose a Jaguar is in itself a laudable feat.

After all, a Sovereign has always been a sound investment.



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IT IS time to kill the old jibe, oft quoted, that the biggest recent advance in the outdoor advertising industry has been the move from wooden to aluminium ladders. Now, in a move that brings the medium bang up to date, billboards are going electronic. For advertisers this means a new dimension to an old medium.

It may be early days yet in Europe for these "electronic blackboards" — microprocessor controlled display systems for outdoor use have emerged only in the last couple of years. But the potential of all-weather, moving messages complete with pictures, albeit of the cartoon kind, is already tantalising the adventurous advertiser.

One company at the forefront of developments in the UK is the IGG Group which manufactures its electronic display Elite systems and, through its Communications arm, markets them at home and abroad. The group believes it is the first UK company to offer outdoor systems for commercial use.

Moving outdoor displays will be familiar enough to football fans who have grown used to the animated characters that greet every goal scored. What's new is the facility for advertisers to relay outdoor messages in electronic motion.

America is more well versed in the medium (see the gigantic tableaux in Times Square, New York) even if the technology is different (the bulbs which make up the displays are bigger and the overall scale that would dwarf smaller European cityscapes). In Japan, Mitsubishi and Panasonic are active in the field. But they are perhaps known known for their giant outdoor television screens (at Olympic Games and other sporting events) which, for all their sophisticated colour fidelity and picture quality are unacceptably expensive to run for most independent commercial operators.

Billboards on the move

Feona McEwan on outdoor advertising

Recently passers-by at the M1 motorway service station at Toddington, reputed to be Europe's busiest, and in Belfast's central Shaftesbury Avenue, have been seen staring upwards as messages are beamed down to them. But the diet is not purely unleavened commercials (though these fund the display). At the base of the board runs a continuous stream of news, a public information service, which might be headlines, sporting or financial items or traffic information (as in Toddington). "The news acts as a hook for the viewer, which ensures that the ads are seen," explains Peter Dowling, of IGG Electronics.

While it is the outdoor Elite systems that are IGG's most recent development, the company has been manufacturing indoor moving message displays for more than 10 years.

Indoor systems are now widely used in tube stations, universities, airports, banks and retail outlets (IGG reckons that as far as it can judge, it has about 50 per cent of the retail market of some 4,000 to 5,000 displays around Britain).

Shortly, a number of independent chemists in the TVS television area of England will be experimenting with in-store moving message displays, carrying advertising as well as the retailer's own messages.

The electronic blackboard is based on advances in the lamp, its basic component, along with

more refined computer programming. The result, says Richard Howard Jones, sales and marketing director of IGG Electronics, is better definition to the animation (more bulbs to the square foot) giving finer detail, longer life and an unending variety of display, which changes automatically. Sizes and shapes of the displays vary enormously but tend to be about 7 ft high and 12 ft wide, with a 1 ft newslane. The public information service is supplied by a direct link via IGG to the Oracle teletext service.

Three of the sites already working show the commercial possibilities. In Belfast, the company which runs the site, Scan-

ner-vision reports success despite early resistance from some quarters. "Some people said the sign would cause accidents..."

says managing director Graham Slane. Some four months later, and no accident to date, local fears appear to be unfounded. Even the local police superintendent has written to say he believes it has brightened up the area, and slowed up traffic. Planners, too, are keen on the idea says Slane. "With so many fixed billboards now in Belfast as a result of the troubles (some are covering damaged areas) and the city renovation programme, they are sick of boards and feel this cleans the place up. They like the fact that it is also a public information service."

Two elements of an ad at Toddington, on the M1 motorway

A survey conducted by accountants Coopers & Lybrand among Belfast passers-by found 93 per cent of the 2,500 asked thought it a good idea, with 7 per cent demurring.

Belfast already has national advertisers, including Guinness, IBM and Coca-Cola, signed up for a year as well as others like Peugeot, Ford, Midland Bank, Belfast Car Ferries, Grand Opera House, and many of them book on a weekly basis. The cost is between £150 and £200 for a 30-second ad which is repeated every six minutes, runs for 24 hours a day and is seen by some 535,000 people a week. Scannervision is now planning a second site in Belfast and one in Dublin's O'Connell Street.

In Toddington, where a possible 5m motorists and passengers a year can view the sign, Austin Rover was quick off the mark and Grandadphone is currently running a sales promotion message to signal an on-site promotion of its carphones.

In Gothenburg, Sweden, another company called Willard Scannervision, also reports a warm reception to its electronic blackboard. Leif Klatzkow, managing director, speaks of interest from ferry companies, banks, supermarkets, advertising agencies, and the local newspaper whose headlines the board carries every morning.

In four months we've had over 60 advertisers and a lot of them coming back for more," he says. About 300,000 people a day see this display. Now the company is planning sites in Copenhagen, Oslo, Helsinki, Stockholm.

Closer to home, IGG says that within the next two years electronic outdoor sites can be expected in London, Birmingham, Milton Keynes, Leicester, Nottingham, Manchester and Leeds.

Testing time for a market strategy

BY DAVID CHURCHILL

"LONDON'S liveliest store," claims the advertising theme of the Underwood chemist and toiletries chain. In marketing terms, though, the group has a dilemma.

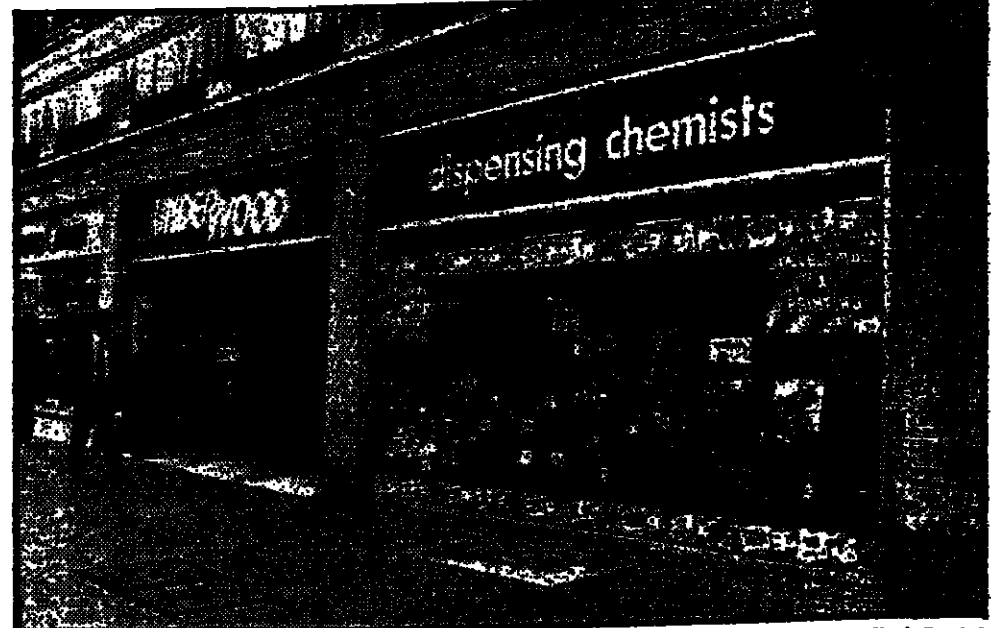
Its marketing strategy since the beginning of this decade has been based on an opportunistic expansion in central London through grabbing every vacant and suitable site and then offering a range of personal products, including watches and electrical goods, which appeal to a large transient population.

But Underwood is now looking to expand its operations—financed by a possible full Stock Market quotation later this year—into the London suburbs and large towns in the South-East. The question is whether the marketing strategy that works in central London can be equally as successful in places where office workers and tourists do not form the bulk of the customer base. Also will Underwood be so effective when ranged against stiff competition from the Boots chain, which has a relatively low penetration of trading in central London but enjoys a strong position throughout much of the UK outside the capital.

The man facing this dilemma is Brian Kerner, Underwood's managing director, who has been with the company for the past 25 years. Until the end of the 1970s, the company was only a fairly modest sized London retailer with 20 shops. However, Kerner believed that the onset of the 1979 recession was an opportunity for the company to carve out a marketing niche for itself.

"We realised that the recession would lead to a shake-up in retailing, especially in such competitive areas as central London," he explains. "So we concentrated on building up a management team and good systems, especially stock control, to take advantage of the upturn when it came."

When the upturn came—helped in central London by the return of the tourist trade—Kerner embarked on the expansion which has seen the chain grow to 40 stores within three



Underwood: a classic case of saturation retailing

Hugh Rutledge

years and expected profits of over £2m in the current year on sales of more than £20m.

Underwood's policy of acquiring good retail sites as and when they became available, has resulted in a classic case of saturation retailing—a concept that forces consumers to take note of a marketing offer simply because they cannot avoid noticing a store every 200 yards or so.

Walk down London's bustling Tottenham Court Road—or a number of other famous central London thoroughfares—and Underwood will have several stores close together.

Kerner, a soft-spoken pharmacist by training, says that saturation retailing was not initially part of the strategy. "It was largely as a result of historical accident that we had a number of shops closely grouped together," he explains.

"Our biggest problem is finding the right site available at the right price and at the right time." When all these factors come together, he snaps up the site irrespective of how close it is to an existing store. "Where we have done this, however, there has been no loss of trade in our nearby stores—in fact, sometimes they have done even better as a result of people being more aware of us in the locality."

He does not envisage a similar approach being adopted when expanding into the suburbs or towns such as Reading, Oxford and Bath. The aim then will be to follow a more traditional retail strategy of site identification and customer flow—putting stores where most

Underwood customers are likely to shop.

Kerner maintains that Underwood has a broad-based consumer appeal in central London and its success is not just a function of the tourist boom in the capital. But he admits that part of its attraction in London is that it is a convenience store. "We've found that central London shoppers really don't want to walk very far to buy small items," he says.

This view is confirmed by John Richards, a leading retail analyst with stockbrokers Wood MacKenzie. "Underwood is probably one of the few genuine UK convenience stores and could in many respects be characterised as a softer, more female-orientated Dixons," he comments.

However, Kerner believes that Underwood's key marketing attractions when it expands into the suburbs or provincial towns will be its merchandise range and service levels rather than its convenience.

Merchandising in Underwood branches involves offering a wide range of branded products. "We try to do everything credibly," explains Kerner. "But we do not want the store looking like a bazaar."

For example, a complete range of watches is offered costing not only a few pounds but also several hundred pounds or more. The aim is to attract those customers who may be deterred from shopping in a specialist retailer—Dixons, for example—or in a large department store.

While the overall product range extends to some 20,000

different items, the actual range stocked in each store is much smaller since the merchandise is based on what sells well in a particular locality. Annual sales per square foot average out at about £300, considerably higher than for large chain stores.

"People prefer to buy from us because we sell them goods in a friendly atmosphere without any high-pressure selling," he asserts. "The problem with some other High Street retailers is that when selling high-tech products, for example, the salesman often leaves customers feeling embarrassed by their lack of technical knowledge."

Kerner believes that its merchandise range and service levels will give Underwood a marketing edge when expanding away from its traditional central London market. It can also be expected to gain other benefits away from central London, such as less shoplifting and a lower staff turnover.

Transplanting its proven marketing strategy into a different geographical market remains the central problem facing Kerner—and it is one which the City is watching anxiously in view of its pending flotation.

Wood MacKenzie's Richards believes that "the Underwood formula can be successfully transplanted elsewhere and that the management have the necessary ingredients to pose an even greater threat to Boots than they do now." If this proves true over the next 12 months, then Kerner's current dilemma may be more apparent than real.

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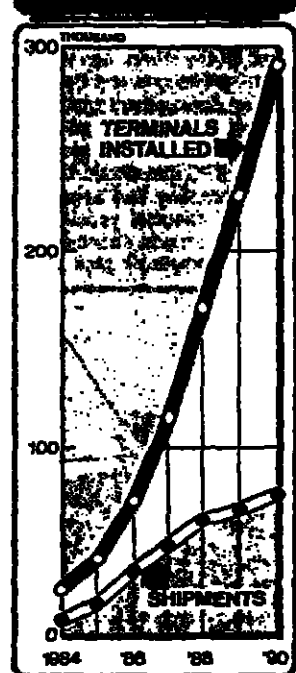
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**EPOS TERMINAL
MARKET GROWTH**



Clever cash tills set for boom

International Data Corporation predicts that the market for electronic point of sale equipment is entering a rapid growth period

THE MARKET for electronic point of sale equipment (epos) is set to grow dramatically over the next five years but there will be few business opportunities for companies which have not already established themselves in the field.

This is the chief conclusion of a new study by the market research consultancy International Data Corporation (IDC).

The study, based on an analysis of 2,768 companies in retail and wholesale, shows that most believe the key growth years will be 1986 and 1987.

Most retailers think that electronic funds transfer at the point of sale (eft/pos) will be established in the UK by that time and that it will boost opportunities for suppliers of epos equipment.

Epos and eft/pos are the key technologies which are behind moves towards the "cashless society" and greater efficiency in retailing and wholesaling.

Epos implies the replacement of today's cash registers with electronic devices which handle ordinary cash transactions but will also provide price look up capability, credit card validation and store trading information in a form in which it can be used to provide simple management reports.

The epos devices can stand alone but are more likely to be connected together into a network with an in-store computer providing the processing power and acting as a switch to the company's headquarters mainframe.

Eft/pos means a further stage in the process where the point of sale terminal is not only connected to the store computer but also to the store's bank and to the customer's bank so that transactions can be settled instantaneously, with funds moving electronically from bank account to bank account.

Many of the larger stores are already experimenting with Epos. Marks & Spencer, for example, has a number of trials

in progress although its first nationwide steps in Epos have been limited to card validation and price look up (see accompanying article).

The clearing banks are committed to a prototype Eft/pos system which should go live in the next two years.

The chief delaying factors so far are cost and inertia. Epos systems are expensive and eft/pos arrangements more so. It is not yet clear who will pay for eft/pos, but Epos is clearly the responsibility of the retailers and wholesalers.

IDC estimates there are only 25,700 Epos terminals in action in the country at the present time but that the figure will grow to 290,000 by 1990. Even then, penetration will be only

40 per cent.

Mr Bernard Chudy, the author of the IDC study, says the survey figures show that the UK is likely to follow the U.S. in adopting epos, but with a delay of about five or six years.

Epos sales are already starting to flatten out in the U.S., he says, but the plateau is not expected in the UK until after 1988.

More than 50 per cent of the growth in the market will come from existing accounts, which are chiefly the larger companies. It means that most of the business will be collared by companies which have already installed equipment in the organisations, chiefly IBM, NCR, ICL and Data Terminal Systems (DTS).

IBM, for example, has 32.3

per cent of the epos units installed by value, with NCR in second place at 21.3 per cent.

It seems then, that the door is already closed to vendors new in the marketplace although there will certainly be specialised markets to be exploited.

Only 2 per cent of food retailing outlets have epos terminals at present, for example, but the IDC study suggests that this will rise to 75 per cent by 1990.

Similarly, only 3 per cent of general grocery cash points are equipped with epos now, but this is expected to rise to 78 per cent by the same year.

Other areas where much of the growth is expected include off-licences (chiefly through initiatives from the large chains), do-it-yourself outlets and department stores.

An important factor will be the falling cost of epos equipment. A typical terminal costs about £2,200 today and can cost more than £5,000 depending on the facilities provided.

Typically, the cost is expected to fall to £2,200 a terminal by 1990—still a significant outlay for organisations with hundreds of thousands of cash-points.

The study "CompuStore" will be available shortly from IDC (01-955 8062) at a cost of £2,000.

EPOS UNITS INSTALLED AND SHIPMENT BY VENDORS

	IBM	NCR	DTS	ICL	ETC	RIVA	TEM	NIXDORF	OMRON	OTHER	TOTAL
Units installed	8,257	1,899	3,283	2,065	1,748	1,259	865	700	594	1,792	25,689
Value of units installed £m	32.1%	18.7%	12.5%	8.1%	6.8%	5.1%	3.6%	2.7%	2.3%	7.1%	100.0%
Average value of units shipped £K	25.2	16.6	10.9	5.0	5.8	3.1	2.7	2.4	1.2	5.2	79.9
Value of units shipped £m	32.3%	21.3%	13.9%	6.4%	7.4%	3.9%	3.4%	3.1%	1.5%	6.7%	100.0%
Units shipped in last 12 months	3.1	2.5	3.2	2.4	3.3	2.0	3.1	5.4	2.9	2.9	2.9
Value of units shipped £K	1,895	1,106	1,410	290	835	1,515	297	780	31	819	8,270
Value of units shipped £m	21.6%	13.9%	16.5%	4.2%	6.4%	15.7%	2.8%	8.4%	0.4%	9.8%	100.0%
Average value of units shipped £K	5.5	4.0	4.3	1.1	2.0	2.7	0.7	2.4	8.0	2.3	25.9
Value of units shipped £m	22.1%	16.0%	17.1%	4.4%	8.8%	11.6%	2.8%	8.5%	0.1%	9.1%	100.0%
Average value of units shipped £K	2.1	2.4	2.0	3.1	2.7	2.1	2.0	2.4	1.3	2.8	2.9

Source: IDC

M & S in checkout changes

REGULAR CUSTOMERS of Marks & Spencer's 268 stores in the UK will by now be familiar with the small black box which sits, firmly attached by a Velcro pad, to each pair of cash registers.

If they are among the almost one million people who hold an M&S chargecard they will have even better reason to know. Each time a chargecard is presented at a till, the cashier "swipes" the card through a special reader attached to the black box. Valid cards provide no response. Stolen or fake cards set off a loud alarm and

REPORTS BY
ALAN CANE

for looking up prices at the point of sale.

Nationwide, M&S carries about 150,000 separate items of merchandise. So far cashiers have had to rely on written price lists made up into a plastic covered 250-page document kept beside each till.

With the POS100, all they have to do is key in the product code and within one tenth of a second, the price is displayed on the device's liquid crystal display screen.

M&S has so far contracted to spend about £1.5m with Psion on hardware, software and staff training for the card validation and price look up system. Mr Paul Kallett, M&S retail systems manager, says: "It is very cost-effective."

Psion designed and marketed the Organiser as a pocket computer specially suited to data storage and retrieval. It envisaged people buying them to store names, addresses, telephone numbers and other such information. The information is stored in a data cartridge which plugs into the back of the device.

M&S became interested in Psion when it decided to launch its own chargecard. It had to have an adequate validation method, but existing techniques involving telecommunications links to remote computers were expensive and time-consuming to put into place.

The cost of on-line credit validation is colossal," says Mr Kallett. M&S and Psion built the validation system in four months; price look up was in test sites after a further month.

The amount of information which had to be stored at each till was massive. The industry believes that about 1 per cent of cards will be stolen, forged or held by a bad debtor at any one time.

That meant that about 20,000 had to be stored at each point of sale in a form enabling easy

matching with the number on a perforated card. If the scheme was to be really secure, that represented almost 100,000 bits (binary digits) of data.

In the latest scheme for price look up, a similar matching job is necessary for all 150,000 stock lines.

Psion used two key technologies to solve the problem and win the contract.

① Sophisticated methods of compressing data into a much smaller space than anyone could have believed possible.

Psion's experience in games software made all the difference

here.

Mr Potter says: "All data has structure and that is the secret." He describes Psion's technique as a method of indexing common parts of words so they need be stored only once.

② The march of chip technology. The POS100 fitted for both card validation and price look up uses, perhaps for the first time commercially, a chip storing 64,000 bits of data which can be rewritten many times. It is called an electrically erasable programmable read only memory (EEPROM).

Prices and hot card lists are prepared at M&S headquarters each week on an IBM personal computer. The data is used to make a master copy of the memory chip which can then be duplicated many times using a chip copier devised by Psion.

Copies are sent through the M&S internal mail to all stores every morning and each store uses the Psion copier to make enough cartridges for its own tills — about 5,000 across the country. Amendments to the list are added daily.

So far, Mr Kallett claims, not one bit of data has been lost.

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In compliance with the Trust Deed constituting the above mentioned Bonds, Notice is hereby given that the Board of Directors of Elektrowatt AG will propose to the Annual General Meeting of Shareholders to be held on October 3, 1985 — subject to the necessary approvals — to authorise a bearer participation certificate capital of Sfr. 75 million nominal of which Sfr. 32.5 million nominal or 650 000 bearer participation certificates (BPC's) of Sfr. 50 nominal value each will be offered for subscription to the shareholders at the rate of one bearer participation certificate of Sfr. 50 nominal value for every one bearer share of Sfr. 500 nominal value outstanding at that date at the price of Sfr. 150. The new BPC's will be entitled to dividend as from July 1, 1985.

Holders of the 5% US\$ Convertible Bonds due 1988 who do not elect to exercise their right of conversion will be compensated for the loss of the subscription right by an adjustment of the Conversion Price as described in the Terms and Conditions (reduction of the presently prevailing Conversion Price of US\$ 1350 by an amount equal to the last paid price of the subscription right on the Zurich Stock Exchange on the first day on which recipients of such right could dispose thereof, expected to be October 9, 1985, converted into US\$ at the then prevailing US\$/Sfr. exchange rate).

Holders of Convertible Bonds wishing to convert their Bonds in order to exercise their subscription rights are invited to do so by lodging a duly completed Conversion Notice together with the complete Bond(s) with Credit Suisse Zurich, Department Wks, Credit Suisse London Branch or Credit Suisse (Luxembourg) SA by Monday, September 23, 1985, noon, at the latest. Shares delivered upon conversion will not be entitled to the dividends in respect of the 1984/85 financial year, payable on October 4, 1985.

No Convertible Bond can be lodged for Conversion during the period from Monday, September 23, 1985, noon, to the publication of an additional Notice with regard to the adjustment of the Conversion Price; it is expected that such Notice will be published in this newspaper on Monday, October 22, 1985.

September 12, 1985

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UK NEWS

Spending on torpedoes 'gives poor value'

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN'S torpedo programme has provided poor value from the large resources invested in it, the influential Public Accounts Committee (PAC) of the House of Commons reported yesterday.

The PAC noted that more than £50m would be by the mid-1990s have been invested by the Government in three torpedoes, one of which was still not working properly after 25 years. Of the others, one was not yet in full production and the other was facing development troubles.

Britain's sole supplier of torpedoes is Marconi Underwater Systems. The PAC questioned the fact that the company had apparently suffered no financial penalties on its torpedo contracts, although it accepted the company's plea that it

was hamstrung by having responsibility only for the torpedoes rather than for the total torpedo weapon system.

The committee also noted that while the Ministry of Defence (MoD) tried to streamline its own management of the torpedo projects, it had not yet settled on the most effective arrangements. It had inadequate information on contracts and cost data.

The PAC said it was "dismayed at the poor value for money which has been obtained in the past from the surprisingly large resources invested in torpedo development."

Total estimated costs up to the mid-1990s of the three current projects were more than £50m at 1984 constant prices, it said.

The three projects were the Tigerfish or Mark 24 heavyweight torpedo, designed as the Royal Navy's main submarine weapon; the Sting Ray, a new lightweight torpedo; and Spearfish, a replacement for Tigerfish.

Development of Tigerfish began within the Defence Ministry in 1958. It was intended for service in 1967. A more limited version of the torpedo was finally produced in 1974 but was not accepted by the navy until 1979.

Marconi took over the torpedo in 1972 but, according to the PAC, the biggest problem - fragmentation of the project's managements between the company and the MoD - was not identified until 1982. A consolidation programme for the weapon

had now been agreed with the company. That was "expected to lead to a 'usable system for the navy' until Spearfish was complete."

Marconi won the Spearfish contract against U.S. competition in 1981. The MoD believes the weapon - being developed under a fixed-price contract - was generally on schedule but, because there had been "some problems," it was not able to say whether it would arrive on time.

Sting Ray, designed within the MoD but developed by industry, was deployed in small numbers in the Falklands campaign, with the first production batch being delivered on time and to cost in 1983.

However, the main production contract was now overdue and the

PAC questioned "the wisdom of proceeding with a main production order before all the development problems have been solved."

The MoD's view was that the problems were being overcome. The PAC welcomed the MoD's intention to negotiate a large first main production order with unit prices well below those possible for a series of smaller contracts.

28th report from the PAC 1985-86. The Torpedo Programme, HMSO £3.50.

● MEL Crawley, a division of Philips Electronic and Associated Industries, has won a £20m contract from the Defence Ministry to supply electronic support measures equipment for navy submarines.

Hestair pledge on Duple

By John Griffiths

DUPLE, the loss-making, Blackpool-based, coach-making concern taken over by Hestair two years ago, should be operating profitably from next month, Mr David Hargreaves, Hestair's chairman, said yesterday.

Mr Hargreaves was speaking at the opening of the International Bus and Coach exhibition in London, the first time buses and coaches have been divorced from the main biennial motor show.

Duple lost nearly £3m in the year prior to Hestair's takeover. Since then the operation has been completely overhauled as part of a general restructuring of the Hestair Group's vehicle operations due to be completed by the end of this year. Hestair is involved in a wide range of activities from employment bureaux to toy manufacture.

Hestair's half-year results, published earlier this week, showed 1984's first-half loss before interest on its vehicle activities of £118,000 was transformed into a profit of £481,000. The major contributor was its municipal vehicles division, whose main product is dustcarts.

The Duple takeover was criticised in the City of London and by shareholders, but Mr Hargreaves expressed optimism that a new product range displayed at the show would improve its position significantly.

Hestair has invested £12m in a new range of three coaches, with £3m being spent on the Integral 425, a luxury long-distance coach designed and developed since the Duple takeover.

Shell and Esso to spend £640m on unmanned platform

BY DOMINIC LAWSON

SHELL AND ESSO have agreed to spend £640m on the first oil production platform in the North Sea designed for unmanned operation.

The platform will extract 85m barrels of oil from the Eider field, which lies in 518ft of water 117 miles north-east of Shetland.

Eider will be the smallest oilfield to be developed by the Shell Esso 50/50 North Sea partnership, and is made economic only by the use of the novel unmanned method, dubbed by Shell the composite satellite platform concept.

A more traditional method of development would have cost an extra £100m, according to Shell.

The first stage of processing up to 45,000 barrels a day of crude oil will take place in Eider. The partly processed oil will then go by pipeline to the North Cormorant oilfield platform, nearly eight miles to the south, for final treatment. North Cormorant will have sufficient spare capacity because of its own natural production decline.

Soon after Eider's production starts in 1989 the field will need water injection to maintain reservoir pressure. The water will be piped from the platform of the Tern field 10 miles to the south-west. Tern is another Shell/Esso development, and is also scheduled for first oil production in 1989.

During development drilling, in 1989 and 1990, the Eider field will

have a workforce on site of about 75. But after that period, the 34,500-tonne platform will be unmanned.

About £300m in contracts for the platform will be placed next year, if development approval is granted by Government. Those contracts will need a workforce of about 1,500 over two years. Orders for other services and equipment will support several thousand further jobs. Contracts worth £18m have already been placed with Matthew Hall and John Brown Offshore.

Mr Alec Buchanan-Smith, the Energy Minister, said yesterday in Aberdeen that he hoped soon to announce approval for development of Eider.

Mr Buchanan-Smith also announced immediate go-ahead for the development of the Scaja field, which lies 112 miles north-east of Aberdeen. The field's operator, the U.S. oil company Occidental, said yesterday that the development would cost £150m, with over £100m worth of contracts set to be awarded to UK companies.

Scaja contains about 42m recoverable barrels of oil, and will produce at its peak 24,000 barrels a day. The oil will be extracted through a subsea facility, and then piped to Occidental's Claymore oilfield, three miles to the north-east.

Howard Doris to build oil vessel

By Mark Meredith

THE U.S. SEDCO offshore drilling company has chosen the Howard Doris fabrication yard in northern Scotland as the site to build a new design of semi-submersible oil production vessel.

Oil from the North Sea is produced largely by steel or concrete platforms fixed to the seabed. But the use of semi-submersibles, valued at about £55m, is seen by some oil companies as a cheaper approach more suited to the remaining smaller marginal fields. When a field becomes exhausted, the semi-submersibles can be refloated and moved to other wells.

Hamilton Brothers, for example, uses semi-submersibles on its Argyll and Duncan fields. BP has a floating production facility on its Buchan field.

Work at the Kishorn yard of Howard Doris, an Anglo-French company, must first await an oil company order placed with Sedco. The yard, with a workforce of about 500, is working on a £18m order for modules to go on top of Texaco's Alwyn B platform.

● Trafalgar House, the shipping and construction group, said yesterday that it had begun talks with unions about a reduction of the workforce at its Scott Lithgow offshore yard on the Lower Clyde.

Schiphol and Swissair are top travel choice

BY LYNTON MCILAIN

SWISSAIR, Schiphol Airport and London have emerged as the favourite airline, airport and business city for the second year, according to a survey of business travellers.

Swissair was a clear winner, with 23 per cent of votes from readers of "Business Traveller" magazine. The vote was twice that given to Singapore Airlines as second-best airline. British Airways was ranked third, followed by Cathay Pacific, the Hong Kong airline.

Voters were asked which aspect of the airlines they considered most important. The quality of cabin staff was rated above food, safety, route network and scheduling, and British Caledonian, voted fifth-best airline, was "the outstanding success as far as cabin staff are concerned," the magazine said.

Lufthansa, KLM, SAS, Qantas and Thai International completed the top 10 airlines.

Schiphol Airport, Amsterdam, was voted the best airport in the world. Of European airports, lack of congestion was the main attraction for voters followed by baggage handling.

Changi Airport, Singapore, was voted second-best airport, with Zurich third and Frankfurt-am-Main fourth. Heathrow Airport, London, the world's busiest international airport, made fifth place, with congestion its weak point.

London remained the best business city and the city with the best facilities as a conference centre. Singapore moved from fifth place to second place as a favourite business city, but Birmingham took second place as a favourite conference centre.

The Mandarin Hotel, Hong Kong, was voted the best hotel in the world, for the second year, followed by the Shangri-La, Singapore.

Councils' plea to lift spending limit on homes

By John Hunt

A DELEGATION representing nine city councils yesterday met Mr Kenneth Baker, the new Environment Secretary, and warned him they faced a breakdown in their housing programmes as a result of government spending restrictions.

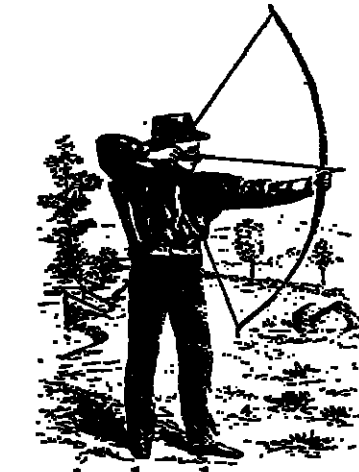
They called on him to allow them to spend £245m of their capital housing receipts on improving existing housing stock and building new homes.

At present, councils are allowed to spend only 20 per cent of their receipts in England and 15 per cent in Wales.

The councils - from Bristol, Derby, Hull, Leicester, Nottingham, Portsmouth, Southampton, Stoke on Trent and Swansea - told Mr Baker: "44,000 pre-war council houses in their areas were in need of repair."

Thirty-six thousand homes in the private sector were unfit for human habitation and 47,000 people were on housing waiting lists. The councils estimated that they needed about £1bn to refurbish council houses in their areas.

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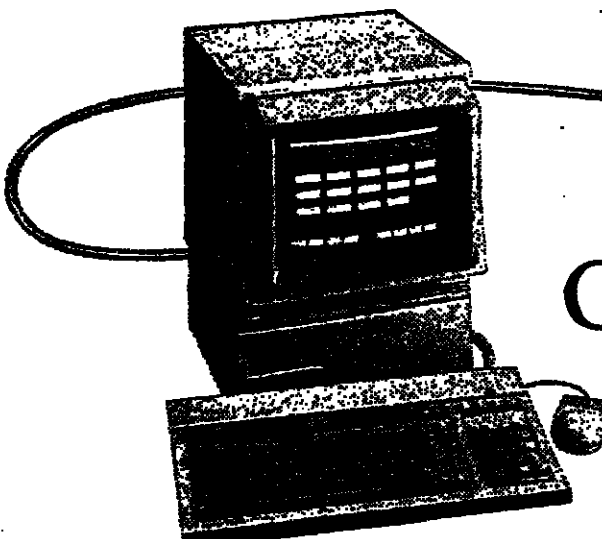
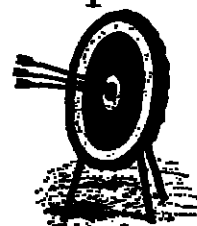
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UK NEWS

Peter Riddell, Political Editor, assesses the SDP's Torquay conference

Management of Molins plans £50m buyout

BY CHARLES BATCHELOR

THE MANAGEMENT of Molins, one of the world's leading makers of cigarette manufacturing machinery, plans to offer up to £50m for the company in the first management buyout of this kind in the UK. The five-man board of executive directors, headed by Mr Christopher Ross, managing director, announced yesterday that a consortium of mainly UK institutions was arranging the financing needed to make a firm proposal. Molins has undergone a painful restructuring over the past 18 months, making nearly 1,000 of its 3,750 worldwide redundant. Pre-tax profits fell to £5m in the year ended December on turnover of £133.5m. A 5p rise in Molins's share price in the first two days of the week forced the company's board out into the open to say that a consortium offer was being prepared. The Molins managers said they would not offer more than 170p for each Molins share. The share price shot up 36p to 186p in response to the announcement but then fell back to close 14p higher at 180p. If an offer is made, this would be the first time that a quoted British company not facing a hostile takeover bid from a third source had

been taken over by its management. In June, Hadem, a quoted engineering company, defeated a £37m takeover from Trafalgar House. Sir Nigel Brookes's shipping, construction and engineering group, by means of a £58m buyout put together by its management and a financial consortium.

J. Henry Schroder Wagg, the UK merchant bank, and Morgan Guaranty Trust, a New York investment bank, have been involved in both the Molins and the Hadem buyouts.

Mr Ross said that a buyout would mean Molins no longer had to disclose details of its activities.

Its competitors, principally in West Germany and Italy, are private companies which do not disclose their business.

The buyout would also mean Molins would not have to take into account short-term stock-market considerations.

"Ours is a long-term business," he said. "It takes six or seven years to develop a new piece of machinery. We need an uninterrupted period to concentrate on developing our range."

Judicial inquiry into rioting ruled out

MR DOUGLAS HURD, the Home Secretary, yesterday ruled out a judicial inquiry into the rioting on Monday and Tuesday in the Handsworth district of Birmingham.

He said the incidents were criminal acts and not social frustration. Mrs Margaret Thatcher, the Prime Minister, insisted that unemployment was not to blame.

Mr Roy Hattersley, Labour's deputy leader, said a public inquiry was vital. Mrs Shirley Williams, Social Democrat president, also called for an inquiry.

During the rioting, two Asians died in their blazing post office, £20,000 was stolen from another post office and millions of pounds' worth of damage was caused by looting and arson.

THE SCIENCE-BASED companies, and scientists in general, should do more to explain their activities to a wider public, according to an investigation by the Royal Society.

The report, from a working party chaired by Dr Walter Bodmer, research director of the Imperial Cancer Research Fund Laboratories, urges the society, as Britain's premier learned society, to make a better public understanding of science one of its main activities.

National prosperity depends on science and technology and almost all public policy issues have scientific or technological implications, it says.

CHEMICAL group Ciba-Geigy is seeking ways to avoid use of the lethal chemical methyl isocyanate, which was involved in the disaster at Union Carbide's factory in Bhopal last December, at its factory at Grimsby, Humberside.

At the time of the disaster, Ciba-Geigy's stocks of methyl isocyanate were the only bulk concentration of the chemical in the UK. The stocks were held against an order for Thiazofurin, a herbicide the company manufactures for sale in tropical countries.

SWAN HUNTER's four Tyneside shipyards have been at a standstill now for 18 days. Indications are strong that the dispute, involving 3,500 hourly paid workers, will receive official backing.

The dispute began on August 28 after workers from the four yards decided on action in protest at management's stance on a number of issues including the disciplining of three workers for taking tea breaks away from the ships they were working on.

A DURHAM University research team has accused the National Coal Board of "mismanagement" of Horden Colliery, in County Durham, and says the NCB's decision to close it will cripple the local economy and lead to "ghost towns" in the area.

The board says the pit is uneconomic and has lost £4.1m since April and £48m in the five years before the miners' strike.

EDUCATION authority employers in England and Wales have finalised details of an improved pay offer to be put to the teachers' unions at a meeting of the Burnham negotiating committee.

Although the employers would make no comment, the offer is thought to be phased.

WE HAVE been asked by Enterprise Computers, further to articles in the Financial Times on August 20 and 21, to say that its recent change of suppliers from Webway Electronics to GRI of Perth, Scotland, has not resulted in any cessation or interruption of production or supply to it.

Social Democrats gain in political confidence

That has been reflected not only in the record attendance of about 1,400 (up from 800 at Buxton), but also in the quality of the debates. The previous faltering, pained speeches of the well-intentioned have been replaced by sharper and better-argued contributions. There were some first-rate speeches at Torquay not only from the platform from, for example, Mr Roy Jenkins, Mr John Corrywright and Ms Sue Slipman, but also from the floor from some young and student Social Democrats. In short, the SDP has become more political and its conference has become more like that of the other parties. But there are still distinctive features. It is not done at an SDP conference to question anyone's motives or to appear factional. The debates still lack the passion of Labour's, yet the harmony reveals a real unity of purpose. Internal critics of too much orthodoxy, such as the Limehouse group

(named after the founding statement), largely remain fringe gadflies rather than serious challengers to the leadership. Similarly, there is no argument about the Alliance with the Liberals, which has clearly been cemented by the local election successes in May and by the recent upsurge in the opinion poll ratings. Admittedly, there are differences between those, such as Mr Jenkins, who believe further convergence leading to an eventual merger with the Liberals is both desirable and inevitable, and those, such as Mr Mike Thomas and other allies of Dr Owen, who believe the issue should not be rushed. But there is no dispute between them that the question is closed until after the next general election. Moreover, the dog that did not bark at the conference (unlike the police dogs that did) was the previously troubled question of the allocation of parliamentary seats between the SDP and the Liberals. That is no longer a source of serious contention, except in a dozen or two places, after lengthy negotiations headed by Mr Bill Rodgers, for the SDP, and in view of Dr Owen's willingness to be flexible about whether there should be joint selection by members of both parties in some seats. That is, incidentally, of some direct interest to both Mrs Williams and Mr Rodgers. Both now seem less interested in possible by-elections, anyway now a rarity. Mrs Williams is expected to put herself forward for selection at Cambridge (after turning down the Isle of Wight), while Mr Rodgers has had talks about standing at Milton Keynes, where the SDP did very well in the local election. The other side of the cohesion is a certain smugness and finger-pointing reluctance to face up to political choices. Policy documents and debates still feature demands for a

new programme here or there, and a new minister for this or that, although Dr Owen has launched an internal expenditure costing exercise. Like all parties, the SDP also tends to underestimate its opponents. For all the denigration of Labour, the question of how the SDP might attract the support of working-class voters in the inner cities was glossed over. Dr Owen had a fair point yesterday in arguing that it is misleading to talk about attracting Conservative voters. Many of the people who voted Tory in 1979 and 1983 do not think of themselves as Tories. Indeed, as all the psychological evidence suggests, there has been a general decline in voter identification with political parties across the spectrum. The Alliance's problem is how to broaden and solidify its own support. Editorial comment, Page 14

Owen says inflation tax would underpin voluntary pay policy

BY OUR POLITICAL EDITOR

AN SDP/LIBERAL Alliance government would back its search for a voluntary agreement on pay with, as a reserve power, legislation for an inflation tax on excessive increases. Dr David Owen, the Social Democrat leader, yesterday provided in his closing address to the SDP conference.

Dr Owen strengthened his commitment to an incomes strategy since, he said, the Alliance had to convince the electorate that economic activity could be increased without fuelling inflation.

The central theme of his discourse was the combination of "fairness and firmness." Speaking without notes in a low-key style deliberately aimed at the television audience, he was enthusiastically received.

Dr Owen stressed the need for a tough economic policy to check Britain's relative economic decline. He placed greater emphasis than in past conference speeches on the SDP's social and welfare policies which, he said, represented the most redistributive programme ever proposed by a British party.

He talked of the close partnership with the Liberals, but gave no indication of any willingness to compromise further on the SDP's defence policy. The SDP leader also warned the other parties that they would have to negotiate with the Alliance if, as he expected, no one group won power outright at the next general election. Without such talks the Alliance would vote down a minority government.

Dr Owen believed that the Alliance had to be convincing about inflation with voters. He said he did not want to introduce statutory regulation of wages and would prefer voluntary agreement with the leaders both of the trade unions and of management.

The SDP argued for a tax-based incomes strategy because it did not want to go into talks without having the legitimate authority that stemmed from the authorisation of legislation by the Commons.

Dr Owen said: "Why we say we will put an inflation tax on the statute book as a reserve power is that we do not want to go back to the possession of the past. We do not want to trade our barons extracting from us in other areas of policy commitments that they are sometimes in no position to demand. Nor do I want us to be in lock to industrial managers and investors in the City."

The SDP leader confirmed: "We need a government that can go and talk with the leverage that says, if



David Owen: called for fairness and firmness

you will not talk to us, if you will not reach a voluntary agreement, if you are not prepared to co-operate, then you will drive us to do what we would prefer not to. We will not hesitate to do otherwise, and that is to curb inflation through the tax system."

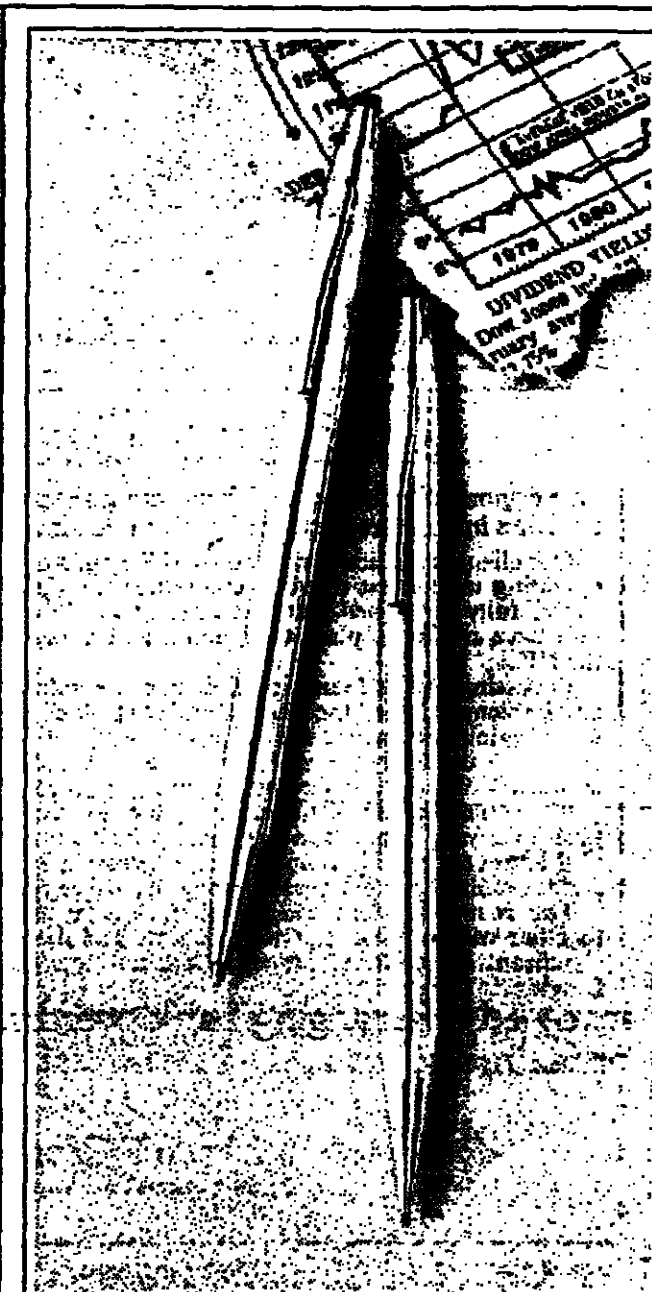
An inflation tax would penalise individual companies that paid pay rises over a specified level that was not financed through increased efficiency. Dr Owen said he wanted free collective bargaining to reflect market realities in the private sector, since companies that did well ought to be able to reward their workers.

He said it was necessary to have a strategy that linked the public and private sectors if there was going to be justice and fairness and good public services. He said he was "fed up with public squalor in the midst of private affluence."

An amendment committing the SDP to incentives to encourage companies to buy high-technology products from EEC manufacturers, and to a system of registration to show the EEC content of such products, was endorsed by the conference on the recommendation of the platform.

Dr Colin Phillips, a former Labour MP, warned that while the policy committee was prepared to accept the amendment, the party would not "put forward any measures which were protectionist. This would run counter to SDP policies."

The Government's high pay awards to senior civil servants, judges and armed services' chiefs were strongly criticised by a series of speakers, who compared the rises with those offered to teachers and nurses.



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Lloyd's near deal in £100m tax dispute

BY JOHN MOORE, CITY CORRESPONDENT

THE LLOYD'S insurance market is close to settlement with the Inland Revenue over £100m of disputed tax liabilities.

Any settlement would end one of the most far-reaching investigations by the British tax authorities into a leading London financial institution.

Mr Ian Hay Davison, Lloyd's chief executive, said yesterday: "It would be wrong and premature to say anything at this stage about discussions with the Revenue which are continuing."

But the settlement with the Revenue, which is slowly evolving, appears to centre on a once-and-for-all payment to be made by the market's members of up to £100m for tax arrears.

The Social Investigations Unit

of the Inland Revenue has been probing the affairs of Lloyd's underwriters for more than a year in an effort to trace undisclosed sums of money, which they considered should have been declared for tax purposes. The investigation followed the failure of earlier negotiations with Lloyd's on a centralised basis after the emergence of irregularities at the end of 1982.

The Revenue has been looking at schemes whereby Lloyd's underwriters have lodged money offshore in the form of premiums on reinsurance contracts. Under the schemes, the money was largely returned to the syndicates into which Lloyd's members are grouped in a later tax year. The arrangements were known as "rollover policies." Many of the "rollover policies" have now been terminated.

TV listing limits 'not against public interest'

BY RAYMOND SNOODY

PUBLISHERS yesterday criticised a Monopolies and Mergers Commission decision that the BBC and Independent Television Publications (ITP) can continue to restrict publication of advance programme listings to a 24-hour period (48 hours for Saturday issues).

The commission ruled on the casting vote of chairman Sir Godfrey in Quenne, that restrictions which gave Radio Times and TV Times a monopoly over listings a week in advance was anti-competitive but not against the public interest.

The decision means Britain will remain one of the few major nations where viewers have to buy two magazines to plan their television watching in advance.

Mr Michael Storey, chairman of TV Choice, a listings magazine who took the issue to the Office of Fair Trading in 1982, said: "I think it is an abysmal comment on the Government's role in promoting freer competition."

The commission did suggest, however, that the two magazines, which have circulations of around 3.2m each, should provide information in a way more responsive to public needs.

The most important suggestion was that the BBC and ITP, owned by the ITV companies, should consider licensing publishers to print programme details for a week ahead for a reasonable fee.

Editorial Comment, Page 14



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Company Notices

DIVIDEND NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS FOR COMMON STOCK OF TOSHIBA CORPORATION (FORMERLY TOKYO SHIBAURA ELECTRIC CO.) DESIGNATED COUPON No. 55
(Action Required on or Prior to 30th September 1985)

Checklist Bank, as Depository (the "Depository") under the Deposit Agreement dated as of February 19th 1979 among Tokyo Shiba Electric Co., Ltd. (the "Company"), the Depository and the holders of European Depositary Receipts (the "Receipts") issued in respect of shares of Common Stock, per value 50 Yen per share, of the Company (the "Common Stock"), HEREBY GIVES NOTICE that at the general meeting of stockholders of the Company held in Tokyo, Japan in June 1985, such stockholders approved the payment of a dividend of 1 Yen per share of the Common Stock.

The dividend on the shares of Common Stock of record on Deposit with the Custodian under such Deposit Agreement, has a portion thereof withheld by the Company on account of Japanese taxes, has been received by the Custodian, as agent for the Depository and, pursuant to the provisions of such Deposit Agreement, has been converted into United States Dollars at the rate of 225.2819 Yen per United States Dollar.

The Depository has been advised by the Company that Japan is a party to international agreements with Australia, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Italy, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States of America under which certain persons are entitled to 15% tax withholding rates on dividends such as the dividend in question. The persons so entitled include residents of such countries and companies organized thereunder meeting certain conditions relating to the carrying on of trade or business in Japan. Persons not so entitled to a 15% tax withholding will be paid a dividend on which a 20% tax withholding rate has been applied.

To determine entitlement to the lower tax withholding rate of 15%, it is necessary that the shareholder of Common No. 55 be accompanied by a properly completed and signed certificate (found at the back of the Receipt) to the office of the Depository in London or any Depository's Agent as to the residency and trade or business activities in Japan (if applicable) of the holder of Common No. 55. Such certificate may be forwarded by the Depository to the Company upon its request.

Persons in United States Dollars of payment of the dividend will be made at the office of the Depository in London or at the office of any Depository's Agent listed below upon surrender of Common No. 55.

DEPOSITORY'S AGENTS

Name	Address
Chemical Bank	Frankfurt, Germany
The Bank of Tokyo Ltd.	London, England
The Bank of Tokyo Ltd.	Paris, France
The Bank of Tokyo Ltd.	Brussels, Belgium
The Bank of Tokyo Ltd.	Frankfurt, Germany
Waren, Hobbins & Phipps	Amsterdam, The Netherlands
Barra Nacional de Leao	Paris, France
Barra Nacional de Leao	London, England
Kreditbank AG	Frankfurt, Germany

The following table sets forth the amounts payable upon presentation of Common No. 55 from the various distributions of Receipts.

Coupon No. 55 distributed on:	Dividend payable (less 15% Japanese withholding tax)	Dividend payable (less 20% Japanese withholding tax)
1 Depositary Share	\$0.73	\$0.60
10 Depositary Shares	\$7.30	\$6.07
50 Depositary Shares	\$36.50	\$30.35
100 Depositary Shares	\$73.00	\$60.70

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Since March 1985 has been established as the record date for the determination of the stockholders of the Company entitled to such dividend, all receipts issued in respect of Common Stock not entitled to share in such dividend will be without Common No. 55 attached.

Certain holders of Receipts may be entitled upon the fulfillment of certain conditions to reductions in the withholding tax rate applicable to them. The Depository will, if in its discretion not unduly burdensome and upon payment of all expenses incurred in connection with the determination of such reductions, be responsible for the determination of such reductions.

Persons of Japanese tax residence applicable to the Company's tax residence have been added to the Company's records as of 30th September 1985. The names recorded by the Custodian over 60% of the dividend payable and allocable to unrecorded Common No. 55.

As a result, persons surrendering Common No. 55 after such date will be entitled to receive from the Depository or any Depository's Agent a dividend on which a 20% tax withholding rate has been applied and, if entitled to a 15% tax withholding, will be required (in order to realize such entitlement) to submit application to the Company for an additional 5% tax application may consistently with the foregoing paragraph, be made through the Depository.

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THE ARTS

Orpheus in the Underworld, Coliseum/David Murray
Bubble with toil, no trouble

The new English National Opera version of Offenbach's *Orpheus in the Underworld* has been a long time coming, and no effort has been spared to make sure that it works. It does work, even if the effort shows. Cast from strength, the large team of soloists is vigorous and stylish in varying proportions: the chorus (with extra dancers and children) is tirelessly ebullient and a loopy comic consistency is supplied by Gerald Scarfe's designs. Despite a pair of 20 minute intervals, the show stays safely on the boil, and all the main numbers bubble furiously.

This is the later, expanded *Orpheus*, the opera-farce rather than the more little send-up of mythology and bourgeois mores. The size of the Coliseum required it, and in any case a large dose of spectacle is needed to compensate for the jokes in the original libretto that are obscure, dated or impossible to translate. The playwright Snoo Wilson was called in to English the text, with the producer David Pountney at his shoulder; the result earns maybe beta-plus, insofar as one can hear it (as the usual rule is that the unevenly successful in projecting their words). The complete is good; more irrelevant one-liners would be welcome.

The Scarfe designs come in wild profusion, deranged costumes, grotesque faces, extravagant cartoon sets. The latter are essentially flat and drops and bits, scores of them, for the cartoon idiom dominates; quick visual jokes (with graffiti), with a new one ready to be slid on as soon as the last has earned its laugh. It would be wrong of me to give even a partial catalogue, for the funny surprises are crucial. Satire has little to do with it (though Sally Burgess's Public Opinion is made into a Thatcher-clown, for no special reason)—mildly scabrous whimsy is the style.

By luck and good judgment, the costumes—even the most cumbersome ones—do not stifle



The English National Opera's "Orpheus in the Underworld"

anybody's playing. At opposite ends of the scale, Richard Angas is a bemused, stentorian Jupiter (taking flight boldly in his guise as a lecherous fly), and Emily Belcourt's Pluto is a sort of stylishly seedy gambler. The perky Eurydice is Nan Christie, whose singing acquired better focus as the evening went on; Orpheus is Stuart Kale, grumpy and harassed (why does he make no pretence of playing his own violin?). Miss Burgess is Iside, with her music as well as making a proper moral tyrant.

The late King of Beotia is here an S-M freak, rather sweetly portrayed by Edward Byles in girly and suspenders—and he does not waste his

song. Cathryn Pope is a perfectly delectable Venus, her seductive soprano just as charming as the rest of her, and Eirian James scores brightly as an insatiable Cupid on the model of Tim Curry. Bonaventura Bottone has the time of his life as Mercury, disco-ing madly in camp silver glitter. Shelia Squire's stalwart old Juno looks more effective than she sounds (many of her words were lost); Fiona Kimm's dashing Diana, complete with hounds, deserves cleverer verses for what was originally the Actaeon song.

The risk of English Offenbach is always that it will decline, sniggering, into pantomime. Pountney has just about avoided that pantomime images

closest at the second-act finale, but that—the departure of everybody for Hades—is so riotously staged that it could make the evening on its own. Some of the first act hangs fire, hampered partly by stilted translations: Offenbach, a good professional theatre man, would have urged them to be more distastefully ruthless and invent some extra jokes.

At the end, the *paloo infernal* is as always a grand can-can, but it is assigned for the sake of energy and dash—to the keen dance troupe, who only do their act. There is throughout the opera, the conductor Mark Elder keeps a nice edge on the score; there is a lot of rancid affection for Offenbach in this production, the best insur-

ance against letting the show turn into a shivaree. For the clarity and lightness of French operetta delivery there is really no English substitute, but this *Orpheus* has more than enough mischief and bounce to keep the Coliseum happily full for many evenings.

New administrator for SNO

Mr Stephen Carpenter, 28, is leaving the Scottish Chamber Orchestra to become general administrator of the Scottish National Orchestra. He said that his main priority is to increase sponsorship for the orchestra.

Auto Da Fe/Riverside Studios

Michael Coveney

The Polish Theatre of the Eighth Day company stopped off at the Riverside Studios over the weekend en route from Edinburgh to Norwich, Birmingham and a Welsh tour starting at the Chapter Arts in Cardiff next Sunday. *Auto Da Fe*, based on a novel by Tadeusz Konwicki, is a seething, nightmarish attack on the Soviet presence in Poland. A boy tank flying a red flag bulldozes through a scattered bunch of artificial flowers. A dissolute dissident lies flat on a table among his empty bottles. He is roused and told he must be burnt to death in front of the Central Committee of the Party.

While half the company performs this play in Poland, the six members travelling through Europe are risking their own prospects of return and safety by acting as thespian publicity agents for Polish dissidents. This of course lends their production a special power. In some ways the play, just one

hour long, is like a condensed version of those great nationalist epics of the late 19th and early 20th century Polish theatre; similar images of crucified martyrs, sardonic assumptions of power, the use of jangling and distorted soundtracks and of painted banners; all are reminiscent of Konrad Swinarski's perverted productions of Polish classics 15 years ago.

But the Polish theatre has always had good reason to be a theatre of opposition, and never more so than today. It is the authenticity and the blazing sincerity of the Eighth Day actors that is so moving. In his sordid Garden of Gethsemane, the dissident is holed down by a chemical gun as he vainly scrambles up a huge ladder. Vodka is swilled and drunk. Political soliloquy and distortion have reached the point where a party secretary is crowned King of Poland, Lenin is quoted in support of capitalism, margarine is better

than butter and plastic preferable to leather. The dissident absorbs the insults, joins in the songs, receives a ghost-like farewell parade of the women (tailcoats and lace garments held aloft and dishevelled), and trudges dolefully away on a journey that demands courage, renewal of hope and the support of his fellows. This persecuted hero is played by one of the most genuinely unhappy and dishevelled actors I have ever seen, in stark contrast to his sardonically energetic and gimlet-eyed blend inquisitor, who also manages to absorb the rules of conscience and doppelgänger.

There is a savagery and a compassion here that cannot fail to impress anyone wise enough to attend a performance. This is not the wild and flailing apocalyptic theatre fashionable in some quarters at the moment. It is a dark, acrid and painful account of the miseries to be endured in a small room of an alien state.

Amandla/Riverside Studios

Martin Hoyle

Amandla means power; and this company of South African exiles based in Angola is billed as the "cultural ensemble" of the African National Congress. They arrive in Hammersmith from the Moscow Youth Festival via Edinburgh (recently a more Calvinistic version of the same thing). The backcloth depicts a clenched fist grasping a spear; and much of the evening reminds one of the primary colours, slightly synthetic folkiness and forthright agitation of Eastern European political posters.

In his introduction, Trevor Huddleston warned us that we had come not just to enjoy a performance but to take part in something important. The programme of dances, songs and relentlessly bustling mime touches on South Africa's recent past: the oppression of

the workers, the foundation of the ANC as long ago as 1912 and the massacre of Soweto schoolchildren in 1976. For me the soft-grained, faintly wistful melodies, blocks of solid choral harmony and jogging rhythms far from intensifying the seriousness, seemed merely to soothe—an impression heightened by the good nature of the performers.

A song of consolation to bereaved mothers finds the idiom at its simplest and best. Trumpets and saxophones add to the (disappointingly westernised) texture of guitars, drums and keyboards for an anti-colonial song in a gentle pop vein and the guitar solo, a speciality of South African miners, emerges as a lively leg-slapping cross between a gopak and a clog dance.

Angry references to capitalism, and the footstamping exuberance of a final medley of traditional dances—at last offset an evening whose depiction of idyllic village life in pre-colonial days just steers clear of village hall didacticism. A terrible topicality makes the mere existence of this 30-strong group of wandering artists more stirring than the material they perform.

Arvon winner

Oliver Reynolds won the £5,000 Observer First Prize in the International Poetry Competition organised by the Arvon Foundation for his poem "Rorschach Writing". His first book of poems, *Shakespeare's Daughter*, will be published by Faber next week.

Lucerne Festival

Andrew Clark

As a parade ground for the great orchestras, Lucerne has never had much problem finding its identity at the more opulent end of the festival market, and there is little pressure on visitors—either in the audience or on stage—to observe the festival's chosen themes. Of the anniversaries put forward for celebration this year, those of Bach and Berg were quite predictable; for once, however, it was in the music of living composers that the festival excelled.

With his ninth opera *Le Roi Berenger* newly premiered in Munich and enthusiastically reviewed on this page, the Swiss composer Heinrich Sutermeister cannot complain of neglect in his 75th birthday celebrations, compared with his popularity in Europe a generation ago, he has indeed fallen out of fashion, and Switzerland itself has hardly rallied to his cause. Lucerne's homage was a ballet set to his early string *Divertimento* forming a light-hearted prelude to the more searching one-act opera *Die Schwarze Spinne* (1956).

The *Divertimento* proved to be a charming little work full of energy and colour, and with a tender slow movement that wears its heart on its sleeve in much the same innocent manner as the *Sextet* for strings. The *Divertimento* was a simple Symphony. Whatever faults it

may have, they were well camouflaged by the classical elegance of Riccardo Duse's choreography, radiantly brought to life by Mylene Raths and the local corps de ballet.

The opera, a much more sophisticated composition lasting 50 minutes, deals with the nature and impact of the plague on a simple, God-fearing community. It is a many-layered and thought-provoking work, a remarkable achievement for a composer in his 20s, and—perhaps partly due to the quality of this production—with few signs of the awkward balance between form and content that can so easily spoil a composer's operatic debut.

The influence of Honegger, perhaps even of Orff and Egk, stands somewhere behind, though the sparseness of texture and overall economy give the score a very self-contained personality. There is some descriptive scene-painting—the work was actually commissioned as a radio opera—but the music's most striking feature is its simplicity (especially the soliloquies sung by the two female principals) and the way it supports a dramatic crescendo. A most welcome and unexpected discovery, then, in his sensitive, abstract staging by Georges Delnon, with a young cast motivated by Roderick Brydon's intelligent, incisive musical direction.

Two concerts conducted by Pierre Boulez and aimed at marking his 60th birthday brought a more contemporary profile to the festival. In the first, members of the Ensemble InterContemporain performed music by Heinz Holliger, followed after the interval by *Le Mortuus* and *Matras*. The night's instalment in the Basle Radio Symphony Orchestra played *Notations 1* (1981) sandwiched between Stravinsky and Ravel.

Holliger the obdurate is probably Switzerland's best-known instrumentalist, but he has also studied under Boulez and maintains a steady flow of composition. The two works featured in the Lucerne concert left a mixed impression. *Tremas*, a short virtuosic study for violin, premiered in 1981 by Rikard Pauls and was brilliantly played here by Jean Sulem, came across as a technical tour de force, exploiting the size and darkness of the violin's tone in a restless air of gravely arpeggios and skittish harmonics, and suggesting the same assimilation of folk or gypsy music as *Trigone*. By comparison, the capricious *Trío* for oboe, cello, and violin and harp (1968) sounded immature, as if riddled with serial cliché and instrumental abuse. In their conciseness, concentration and elegant air of certainty, the two Boulez works took the listener on to a very different and altogether more exalted plane. *Le Mortuus* and

Matras received a fresh, startling performance, crystallising much of the musical syntax, with even a degree of wit to be detected amid the subtleties of timing and instrumentation. Thirty years on, it is remarkable how easily it transcends the fashions and dictates of the era in which it was composed. Boulez is lucky to have found a contralto soloist as expressive as Elizabeth Laurence, her sumptuous voice evoking a languidly in *L'Artisanat* further reminiscent of Ravel's *Nahemsove* and amplifying the contrasts within the work's overall sound textures.

The performance of four orchestrated *Notations* was hugely enjoyable, and not just because Frenchness is so readily identifiable or the music more physically bracing. The many layers of instrumental activity which Boulez has been able to master as an orchestral conductor have come into bloom throughout this work in an extrovert but integrated fashion. The colouristic effects of the first and third movements seem less original than the two faster movements, the energetic tapestry of *IV* with its overlay of chimes capped only by the brilliant, breathless quality of *II* which Boulez likes to end the work in its present form. I look forward to further acquaintance—and to the reworking of some of the other original piano pieces.

Théâtre de Complicité is a zany surreal performance art group of four men dressed in regulation post-war guard suits squirting each other with water, hanging heads and generally looming around in a sordid living-room. One resembles Woody Allen, another Rowan Atkinson at his most mercurial. The feel of the show is that of Waiting for Godot, has been given a thorough going over by Rik Mayall and Co in *The Young Ones*. In that respect, it is not exactly original. A television belt out blasts of bel canto opera and this sublime wallpaper music is offset with the dunking and slopping of feet, the spilling of milk. Just when one's tolerance is at breaking point, the fourth wall is obliterated and money and cigarettes requested from the audience. This leads into a wonderfully deft evocation of a trip to Cairo, with a swishing hotel lobby fan described by Marcello Magali (the Woody clone) and a buzzing fly by Simon McBurney (the Atkinson substitute) with bulging teeth, terrible deportment and a strong line in defensive aggression.

One or two world-famous names are inescapable to me. But Complicité put together some elaborate and funny segments in the hotel lobby, an Italian restaurant and finally Heathrow airport, with much well-observed, recognisable detail. The random selection

More Bigger Snacks Now/ICA

Michael Coveney



of incident is to be explained away by the claim to be representing "escape routes and fantasies from a dirty room." But while there is no logical narrative coherence, there is a strong control over mood and atmosphere.

The consumer detritus of things like rolls of Sellotape (where can you unstick it?) and bottles of pills (why does the top not unseal?) is cleverly absorbed, and in one gloriously inexcusable intervention, McBurney—who continuously surprises with his grace and agility for one who posits Madonna to the accompanying strains of the Bach double violin concerto, He and Magni, given to bouts of Italian phrasebook and hip-swivelling

courtesy, are as funny as any of the better-known alternative crowd. They are well supported in Neil Bartlett's production by Timothy Barlow and Josef Houben. The show, widely praised at the Edinburgh Festival, plays for two weeks at the ICA before moving on to the Donmar Warehouse and the Lyric Studio in Hammersmith. Worth a try.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 6-12

Exhibitions

PARIS

Perfumes: An enchanting exhibition in praise of perfumes assembles 650 objects, mostly bottles and perfume fountains from the 16th to the 19th century. Some were made of Venetian porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chinese china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. *Le Louvre des Antiquaires*, 2 Place Palais Royal, Ends Sept 15.

WEST GERMANY

Munich, Staatgalerie moderner Kunst, Prinzregententheater: German Art since 1900, 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beyer, Richter and Kiefer. Ends Sept 15.

Hildesheim, Bucer and Pelizaeus-Museum, Am Steine 1-9, Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 pieces, an extra 96. Some 30 objects are on

loan from the Egyptian Museum in East Berlin. It is the largest assembly of Pharaonic Art. Ends Nov.

Aachen, Stuermer-Ludwig-Museum, Wilhelmstr. 16-18, drawings, watercolours and pastels from Joseph Beyer, covering the fifties and sixties. Ends Sept 20.

Bonn, Villa Stuegel, Auf dem Hugel, Turkish culture and art from the Ottoman Empire. 500 works ranging from the 15th-19th centuries. The show includes glass, carpets, ceramics, miniatures and weapons. Ends Oct 21.

Köln, Kunsthalle, Josef-Haubrich-Hof 1: The Fiancée Beloved, Sold, Exchanged, Stolen. The exhibition describes the role of women in different cultures and shows various marriage ceremonies. It also displays 2,000 paintings, photographs and costumes from various countries through the ages. Ends Oct 11.

Italy, Florence, Palazzo Pitti (Sala Bianca): Modern masters draw the Thyssen-Bornemisza collection. The pleasure to be had from this remarkable exhibition is that it reflects the taste and prejudices of one individual: one of the few left who can afford Carot, Monet, Gauguin, Picasso—and who is generous enough to send

them to be exhibited in France, England, the U.S., Australia, Japan, and now Italy. This same collection, with a few exceptions, was seen at the Royal Academy in London last autumn. Ends Sept 20.

Rome, Palazzo Venezia (Piazza Venezia 3): Passaggio Con Nigra—57 works from the Borgheze collection. The Villa Borgheze, which houses one of the best patristic art collections in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

Florence, Museo Archeologico (Piazza SS. Annunziata)—The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into this civilization's birth, development and decline. Ends Oct 20.

BRUSSELS

Opera costumes from 1958 to the present including Tardieu's *Rigoletto*, Boquet's *Traviata* and Karl Bratt

Herremans's *Clemency of Titus*. Musée de Costumes et Dentelle. Until November.

SWITZERLAND

Margency, Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurum. Ends Nov 3. (0282/3070).

NETHERLANDS

Amsterdam, Rijksmuseum Printroom: Continuing its centennial celebrations, the museum has put together a revealing exhibition of 60 of its finest Rembrandt drawings accompanied by a further 60 by anonymous Rembrandt pupils and followers to illustrate the extent of the master's influence. Ends Sept 28.

Haarlem, Visser, 100 of Jacques-Henri Lartigue's timeless photographs of moneyed France between the wars. Ends Sept 13.

VIENNA

Vienna 1870-1930: Dreams and Reality: The greatest names of the Viennese fin-de-siècle—Klimt, Otto Wagner, Schiele, Kokoschka, Aldolf Loos, Josef Hoffmann—in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic

achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between subjective and objective reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunsthilfsmuseum, Ends October 6.

NEW YORK

National Academy of Design: Called from the larger Royal Academy exhibit, this view of Edward Lear's prolific career covers not only the famous illustrated booklets and verse but also landscapes and ornithological studies. Ends Nov 3.

WASHINGTON

National Museum of American Art: 35 paintings by Alexander Hogue cap-

ture the American Southwest through dustbowl and prairie in highly stylized evocative works from the 1920s to the present. Ends Nov 3.

TOKYO

Modigliani: 130 works in oils, watercolours, and sculptures. National Museum of Modern Art, Kitanoan-ri Park (near Palace and Imperial Hotels and parts of Tokyo's oasis near the Imperial Palace). Ends Sept 28.

Treasures from the Silk Road: 180 items from Central Asian area from 5th century BC to 10th century AD. Tokyo National Museum, Ueno Park, one of Tokyo's few parks. The greenery and space are a welcome respite from city concrete. Purchase an obento lunchbox for an instant picnic. Afterwards explore the park and surrounding area full of history. (The nearby Shikunachi Museum, consists of a reconstructed tenement—typical dwelling of inner-city families in 17th-18th centuries.) Ends Sept 23. Closed Mondays.

Roberts: The first large-scale exhibition of Roberts in Japan. 50 masterpieces of oils and prints, plus works of collaboration with his pupils. Takashimaya Department Store, Nishinabashi. Ends Sept 17. Closed Wed.

Orchestras/Antony Thornicroft

Under new management

This will be a testing year for the four London-based orchestras who are just about to begin their 1985-86 seasons. During the year there will be a new management on at the South Bank, the main venue for orchestral music, with the Arts Council taking over from the GLC.

For the first two seasons this should not herald any change in the programming policy at the Festival Hall: bookings have already been made well into 1985 and 1987. But the orchestras—the Royal Philharmonic, the Philharmonia, the London Philharmonic and the London Symphony—are well aware that the Arts Council is reluctant to subsidise all four of them. It still aims for one British super-orchestra and when it combines the dual roles of manager of the South Bank, and subsidiser of the orchestras, it will be in a more powerful position to get its way.

The first of the Big Four to announce its programme is the London Philharmonic. It is slightly sheltered, by its annual summer contract at Glyndebourne, from the full rigours of the competitive market-place but the very existence of a regular seasonal employer might make it more amenable to losing its Arts Council grant, which approaches 20 per cent of its revenue. The LPO is presenting two

separate programmes at the Festival Hall. The base is 30 international concerts, of which ten will be under the baton of its principal conductor Klaus Tennstedt. Guest conductors include Sir Georg Solti, with Bruckner's seventh, and a Liszt Beethoven evening, with Brendel playing the Emperor Concerto, and Simon Rattle. In addition there will be ten concerts in its Classics for Pleasure series.

In the *Classics for Pleasure* series the five concerts will be repeated and, thanks to a £30,000 sponsorship from the Nat-West Bank, the price for block bookings for the five works out at £3.50 a concert, or £14 for all five evenings. Among the conductors appearing will be Sir Charles Groves and Carl Davis. The LPO opens its season at the Festival Hall, under Tennstedt, on September 18.

Its attendances on the South Bank rose last season by around 3 per cent to 70 per cent of capacity. Thanks in part to GLC publicity, but also to more popular programming, attendances for all the orchestras were higher at the Festival Hall in 1984-85.

The Arts Council is committed to building on its successes at the GLC, such as its open foyer policy, but is also determined to put its own mark on the country's leading arts complex.

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Thursday September 12 1985

Following Mrs Thatcher

MRS THATCHER'S administration is open to two main criticisms. The first is that, for all her good intentions, the Prime Minister has not been radical enough. The second is that the Government has given the impression of not caring sufficiently for the poor, the unemployed and the disadvantaged—some of them the victims of the changes which Mrs Thatcher rightly wants to introduce.

She deserves praise for the way she set out at the start to try to turn the country round to arrest and then reverse Britain's relative economic decline. And there have been some successes: for instance, the curbing of inflation and the trade union power.

Yet perhaps the greatest tribute of all has come from her political opponents, the leaders of the other parties who have adapted to Mrs Thatcher by bringing their own thinking out of the 1960s and at least into the 1980s, if not beyond.

Dr David Owen's speech at the close of the SDP conference in Torquay yesterday was a conspicuous example. It had already been a good conference—the best and the biggest held by the Social Democrats so far. Dr Owen ended it on a note of confidence, but also realism.

Foreign policy

As a former Foreign Secretary, the SDP leader has always been skilful in his presentation of international affairs. Yesterday he was outstanding, particularly in his outline of the limits of British power. He exposed the potential isolationism of the Labour Party and the illusions of grandeur of the Tories through their attachment to the Trident nuclear weapon. He also explained where Britain might have an international role because of the country's past experience: most notably by pressing for a comprehensive test ban treaty. Defence and foreign policy would be safe with the SDP.

It is on economic policy, however, that any British party being for power in a general election, is likely to be judged. Here Dr Owen has already moved the Social Democrats, sometimes against their will, in Mrs Thatcher's direction. He embraced market economics in his speech at the party conference in Bux-

TV listings: A protected species

"THE ONLY way to see what's coming on TV is to go and get the TV Times." So ran the old commercial jingle, and thanks to a lamentable decision by the Monopolies Commission, it will remain true that UK viewers and listeners who want advance programme information will have to buy both the Radi oTimes and the TV Times, which are owned by the programme makers.

The Commission has accepted that these publications are engaging in an anti-competitive practice within the meaning of the Competition Act, by refusing to let rival publications give programme details covering anything but the very short term. But in a ruling coming only by the casting vote of the chairman, it has concluded that these restrictions do not operate against the public interest.

Serious shortcomings

There are three points to make about this decision. The first is that the public will be deprived of new publications which would otherwise have emerged to provide independent information in a convenient format. The second is that the thinking behind the conclusion suggests that the Commission's approach to competition policy is faulty. Finally, the report seems to suggest a serious shortcoming in the Competition Act itself.

The BBC and Independent Television Publications Ltd, the publisher of the TV Times—both made great play in their evidence of the public service role of their publications. Competition they said, would bring in downmarket rivals like free sheets or magazines limited mainly to programme information. These would squeeze the established publications, leading to a reduction in the quality and quantity of accompanying articles and less detailed information, especially about programmes of minority interest.

The majority on the Commission broadly accepts this conclusion. They said that it is not even certain that daily programme information would continue to be as widely available as it is now, since the BBC and ITP might no longer be willing to grant the information free to newspapers. It is in our judgement impossible to say what the balance of advantage and disadvantage would be

ton last year. Yesterday he needed to reaffirm the commitment and to spell out more of the details.

On the whole he succeeded. The SDP-Liberal Alliance is commendably ahead of the other parties in wanting to simplify tax and benefits. Dr Owen at least seems reluctant to take any risks with inflation. He was insistent on the need to contain unit labour costs and that any new commitments—including an apparent pledge to pay more to teachers—have to be paid for.

There was one innovation. The SDP no longer talks about an incomes policy, but an "incomes strategy." Dr Owen officially committed himself to the possibility of an inflation tax to be imposed if incomes were rising too fast. Such an idea has been around in academic circles for years. More new ideas have been heard about how the SDP would seek to implement it. It is not quite the Erhard model of the social market economy to which Dr Owen was a convert.

There was also some filling-in of the gaps that Mrs Thatcher has left exposed. The Social Democratic leader, for instance, went out of his way to pay tribute to the Civil Service and did not dismiss the recent high pay awards. There had, he said, to be comparability between the public and private sectors. It is easier said than done.

Redistribution

The poor, and elderly and the unemployed were all dealt with sympathetically. Dr Owen has not dropped his old commitment to the redistribution of wealth which used to be the prerogative of the Labour Party. Indeed, the distinguishing mark of the SDP is that it is trying to offer the best of old Labour and the best of Mrs Thatcher: redistribution and wealth creation, fairness and firmness, radicalism and compassion.

These are early days, not only in the run-up to the next election but also in the party conference season. The Labour Party is changing, too. So is the trade union movement. We have yet to see how Mrs Thatcher will face up to opposition parties that have become articulate and self-confident. But it would be churlish to deny that the SDP has given the season a bracing start.

with any new system, and whether the public interest would be better served than at present," the majority group solemnly concludes.

Yet the whole essence of competition is its unpredictability. Competition policy ought to be based on information, and anti-competitive practices ought to be attacked unless there is tangible evidence that the public interest will actually be damaged by so doing.

As it is, the current arrangements are a direct result of the statutory duopoly of broadcasting in the UK. In a more competitive environment, broadcasters would have an interest in making sure that their audiences had cheap and convenient access to programme information.

Whatever the arguments for such a duopoly, there is no case for extending it to the two publications. As the dissenting minority points out, even if their circulation were to be cut in half by competition, they would still be left with a circulation greater than any other UK magazine. It is difficult to believe that they could not be made profitable under such circumstances. Even if they are not, the programme makers would still have a considerable interest in making the public aware of what they had to offer. And minority interests might actually be better served in a free market, given the host of publications which already exist to serve minority markets.

The Commission is, however, unanimous in the bold view that "the present arrangements are not necessarily the best that can be devised" and offers the thought that the broadcasters might consider adopting the arrangements recently introduced in New Zealand. Since these place what look like extraordinarily unattractive conditions on anyone wanting to publish the information, this is an idea which the broadcasters might be very happy to consider.

To complete a depressing picture, the Commission concludes that even if it had found the referred practices to be against the public interest, it could not have recommended any action to remedy the fault given the limited powers of the Secretary of State under the Competition Act. If this is the case, the conclusion must be that the Act is inadequate.

During the weekend of July 10-12 1981, one week after the riots of Toxteth and Southall and exactly two months after the momentous upheavals in Brixton, the Handsworth district of Birmingham suffered repeated rioting. No fewer than 90 properties were damaged.

While Brixton captured the world's attention and was the subject of Lord Scarman's scrutiny and Mr Michael Heseltine took up the cause of battered Merseyside, Handsworth quickly dropped from view. But of all the 1981 urban riot areas it was the one chosen by the Home Office for penetrating research and analysis.

The Home Office research team concluded their report in early 1982: "In the light of such high levels of unemployment, the boredom referred to by many also becomes easy to understand as a causal factor. So long as unemployment levels remain high in the Handsworth area the danger of riot may remain."

The riot the Home Office researchers feared, duty occurred on Monday night. It could have occurred in any one of a number of other urban areas where tensions run persistently high and where a single unexpected—and often misinterpreted—incident can act as the spark to the tinder box.

A number of ingredients—including the weather—have to come together for the dreadful human explosion to occur.

The problem facing government, council and community leaders, and the police has been that new riots could have occurred at any moment in a dozen or more urban areas. But knowing when the cocktail of pressures is just at the critical heat to explode, and knowing how to cool it without having occurred at your face, has defied analysis.

However, since 1981 a number of lessons have been learned—more by the police than by government. Lord Scarman made quite plain his widely acclaimed report that although race and policing are two crucial factors involved, the key underlying factors in the urban riot areas are essentially socio-political: unemployment, education, housing.

Lord Scarman ends his report by quoting President Johnson after the U.S. riots of 1968: "The only genuine long-range solution for what has happened lies in an attack—mounted at every level—upon the conditions that breed despair and violence. All of us know what those conditions are: ignorance, discrimination, slums, poverty, disease, not enough jobs. We should attack these conditions not because we are frightened by conflict but because we are fired by conscience. We should attack them because there is simply no other way to achieve a decent and orderly society."

But as successive summers passed without major reports of disturbance, Lord Scarman's words faded from memory. Unemployment has risen steadily, local authority grants have been cut in successive years and financial controls on urban council spending have become increasingly stringent. Urban aid, which directs government expenditure to the most deprived areas in Britain's most deprived areas, has been held at £335m this year, the same cash level as last year. It is to be cut to £317m in 1986-87, compared with £450m at its peak in 1983 and £400m in 1984-85. As the Minister has become clear, it is known to think that these

Britain's inner cities

A fuse just waiting to be lit...

Robin Pauley looks at the background to the Birmingham riots

special payments are not the best way to tackle the inner city problems.

Housing expenditure shows a similar pattern. Public expenditure on housing as a proportion of GDP has fallen from 2.2 per cent when the Conservatives took office in 1979 to 0.9 per cent now. The allocations for capital expenditure on housing by local authorities have been cut by the Government by 65 per cent since 1979. In 1979-79 the total allocation was £4.4bn at 1984-85 prices and in the current year it is £1.5bn.

These cuts fall especially hard in those areas recognised by the Government as suffering maximum urban deprivation, and it is those areas which figure largely when urban and racial disorder occurs. Toxteth in Liverpool, Handsworth in Birmingham, St Paul's in Bristol, Brixton in London, and Moss Side in Manchester.

These deprived areas also have worse unemployment in all categories than the averages for the nation, their region and the rest of their own cities. Within these figures the young fare disproportionately badly and the black young fare worst of all. So, in Handsworth, the jobless rate of 36 per cent compares with 20 per cent for Birmingham. But in Handsworth more than 50 per cent of people under 24 are out of work with them is no exception. About one-third of the young are on the streets, and though the jobs situation is desperate for everyone in the area, it is particularly bleak for black school-leavers. While around 20 per cent of white and Asian school-leavers find work, only 5 per cent of black school-leavers find jobs.

On Tuesday Mr Douglas Hurd, the New Home Secretary, said during his visit to one of Handsworth's devastated streets that unemployment could not be the reason for such disgraceful criminal behaviour—a view repeated by the Prime Minister yesterday when she said such a suggestion was "very, very harsh indeed."

But what has become clear is that resentment and bitter-

ness builds up over time in individuals who feel they are disadvantaged and discriminated against. This also becomes a communal and community resentment where, for example, a specific ethnic group sees itself doing relatively worse than other groups—young blacks without jobs being the touchstone.

Between the Government, responsible for social and economic policy, and the communities in which these policies may be causing the build up of resentment, stands the police force. It represents the authority of the state and therefore attracts hostility from those aggrieved by the state.

Isolated incidents add to the erosion of confidence of the police without spilling over into immediate violence.

Handsworth's most deprived borough came close to racial boiling point in 1983 when a young black was found dead from gunshot wounds in Stoke Newington police station's hallway; public confidence in Birmingham was joined recently when police accidentally shot dead a five-

year-old boy; raids and street "busts" for drugs add to the resentment of the young.

In Handsworth on Monday a policeman spotted an Asian he knew to be disqualified from driving in a car with an incorrect tax disc. Critically, this happened outside the Villa Cross pub in which were drinking a number of black youths who emerged to find either the man appealing for help or being roughly treated according to which version is right. Either way, the previous build up of resentment and perceptions, reinforced by tough police action over drugs in the area, was strong enough for these blacks, not knowing the circumstances, to intervene against the police.

The fuse was lit and thereafter the chain reaction of rumours, crowds, fighting and fires began and the pressures blew the community lid off. Once the flash had occurred the riot followed the pattern of previous riots—naked criminality involving violence, destruction and looting of Asian shops and, in the worst cases such as Handsworth, death.

WHAT THE PEOPLE THINK

A single unexpected and often misinterpreted incident can act as the spark to the tinder-box.

HANDSWORTH RESIDENTS' VIEWS ON CAUSES OF 1981 RIOTS

Causes	%
Unemployment	43
Copying other areas	23
Racial tension	22
Agitation/political activists	14
Racial tension/discrimination	10
Police harassment	9
Police brutality	8
Poverty/inflation	4
Poor facilities of the area	3
Lack of parental or school discipline	3
Police brutality	2
Political/social protest	2
Build up of tension/rumours	2
Excuse for looting	2
General atmosphere of country	1
Blackity	1

Some respondents gave more than one cause to the total adds to more than 100%.

Source: Home Office Research and Planning Unit

Catching a profitable cold

The Richardson family, which has so bravely rejected Unilever's advances on Richardson-Vicks, the U.S. health care company, could be forgiven for regarding the company as its personal fiefdom.

The present chairman, Stuart Richardson, aged 38, is a great-grandson of the founder and is the fifth Richardson to head the business.

The original Luford Richardson started the company in 1905 to sell Vicks VapoRub, the pungent antiseptic preparation which he formulated.

He quickly established the company's reputation for outstanding marketing and began assembling the array of cough medicines and skin preparations which now include the Vicks range and Oil of Ulay.

Richardson-Vicks is still regarded as a strong marketing group, although a diversification into pharmaceuticals in the 1960s struck it a nasty blow.

But the original Vicks rub is still selling strongly after 70 years.

The family is said to have diversified because it was afraid that a cure would be found for the common cold.

On the basis of the Unilever bid there seems to be little chance of that in the foreseeable future.

The business is valued on the Vicks name at around \$380m.

"Don't be taken in—he's probably a Lambeth or Liverpool councillor"

Men and Matters

The company became involved in the thalidomide affair. It never sold the drug, but as the U.S. licensee, was sued by several plaintiffs who had received false samples.

Later it ran into more legal problems distributing Benedrin, an antacid which it had licensed to a Swiss company.

The company continued to show its peace in its base business, and in 1970 brought off a coup with the purchase of Oil of Ulay from a South African group. Today the skin cream is the group's largest revenue earner and is sold world-wide.

Vicks VapoRub has long since been overtaken by a newer product Vicks NyQuil, a night-time cough medicine which is the biggest earner under the Vicks brand name.

But the original Vicks rub is still selling strongly after 70 years.

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its hand before it realised it had finished the tree it was devouring."

Any attempts to draw parallels between this and the crisis at the TUC last week when the general council nearly expelled the engineers are discouraged by Todd.

Eilledge's audit

A miner's helmet could seem unusual garb for the new senior partner designate of accountants Ernst and Whinney. But Eilwyn Eilledge is looking forward to his first visit to a coal mine as new auditor to the National Coal Board.

His success in leading the team which recently snatched the NCBS audit against competition from the likes of Peat Marwick and Price Waterhouse has been swiftly followed by his own selection for the top job at E and W, which he will take over following Peter Godfrey's retirement in August next year.

Eilledge cut his teeth at E and W in the mid-sixties by probing alleged frauds in Liberia. After 1972 he pursued a less exotic career in the firm's London audit department, becoming managing partner of the London office in 1983.

At 50, he lines up with the new, younger breed of senior partners including Jeffrey Bowman of Price Waterhouse, and Brandon Gough of Coopers and Lybrand, in welcoming the more commercial approach of modern accountancy.

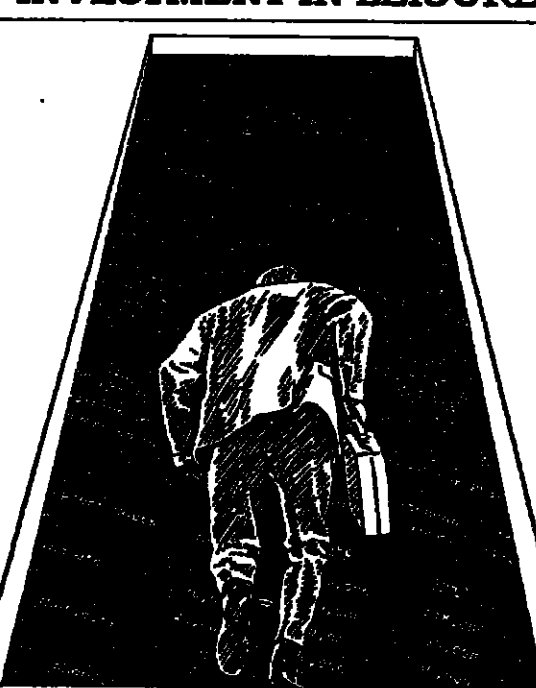
"In the past accounting and other professions were seen as a fairly cosy world. I welcome the more competitive era we are in," he says.

Unwritten rule

I quote the staff magazine of a Basingstoke company: "The editor regrets that it has not yet been possible to start a correspondence column. The main reason for this is that we have not yet received any letters."

Observer

INVESTMENT IN LEISURE



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THE REPORT of the Commons Treasury Committee on international Monetary Arrangements hardly breaks new ground.

There are, however, two topics on which something approaching a point of view can be discerned. The first is support for "target exchange rate zones." The second is the view that exchange rate policy should be devoted to containing inflation, and fiscal policy devoted to promoting real output and employment.

There may well be a case for an exchange rate objective for a particular country at a particular time. In view of the collapse of all UK money supply indicators, a published or unpublished target zone for sterling is probably the best available intermediate policy objective.

But these observations apply to one medium-sized country at a particular time. A target exchange rate system can only provide an approximation to price stability if at least one leading country pursues a policy geared directly towards internal objectives.

In practice, the forces operating on the world's three principal currencies — the dollar, mark and yen — are so diverse that it is unrealistic to attempt to fix their relationship. Even if most countries of the world were to tie their currencies to one of these three, and even if we wanted to approach financial stability by means of exchange rate policies, it would surely be best to leave the world's three main currencies to float against each other.

The EMS question for Britain is whether it should try to maintain sterling as a fourth major world currency, or whether — as the factor gradually fades — it might be better to link the sterling and D-mark zones. It is a second-order issue.

The difficulty of exchange rate zones for the world's main currencies has been pointed out by the Treasury Committee's own range for the supposed misalignment of the dollar, namely 15 to 40 per cent, based on different expert estimates.

This means that the "correct" rate for the dollar could be anywhere between DM 1.8 and DM 2.50, while the market obstinately insists that it is worth nearly DM 3. In these circumstances, a target zone would surely be, as the Chancellor told the committee, "a target to be shot at, rather than something that would actually exercise a stabilising influence on the currency."

The great difficulty of establishing a target zone for the dollar is illustrated by the chart, which comes from a Treasury memorandum to the committee. This shows that the real exchange rate for the dol-

Economic Viewpoint

Exchange rate fads and trade war realities

By Samuel Brittan

lar is only high if comparisons are made with the middle or late 1970s. The dollar is roughly the same in real terms as in earlier decades. While this rate caused trouble in the early 1970s, which led President Nixon to shut the gold window and float the dollar, it proved quite comfortable for the whole of the 1980s and 1990s.

Who is to say whether the 1970s represent the true underlying equilibrium value of the dollar, or whether they were an aberration from the levels of earlier decades due to a temporary weakening of the U.S. economy?

The main reason for taking the high dollar and the accompanying U.S. current trading deficit seriously is that the U.S. political community is revolting against it. I am amazed that so little notice has been taken of a speech this Monday by Senator Robert Dole, the Republican majority leader of the U.S. Senate. Himself a free trader, he warns that he has "known known known" for years that the U.S. is "in a position of being a free trader that such rhetoric could afford to be, and would benefit from free trade, even unilaterally."

His view is that the U.S. cannot be the world's only free trader, any more than it can disarm unilaterally. It is factually and analytically wrong. The U.S. is very far from being the pure free trader that such rhetoric claims. On the other hand it could afford to be, and would benefit from free trade, even unilaterally.

The point is that it won't. Congress is the home of interest group politics and is highly sensitive to the sufferings of particular industries, subject to import competition, not only traditional smokestack indus-

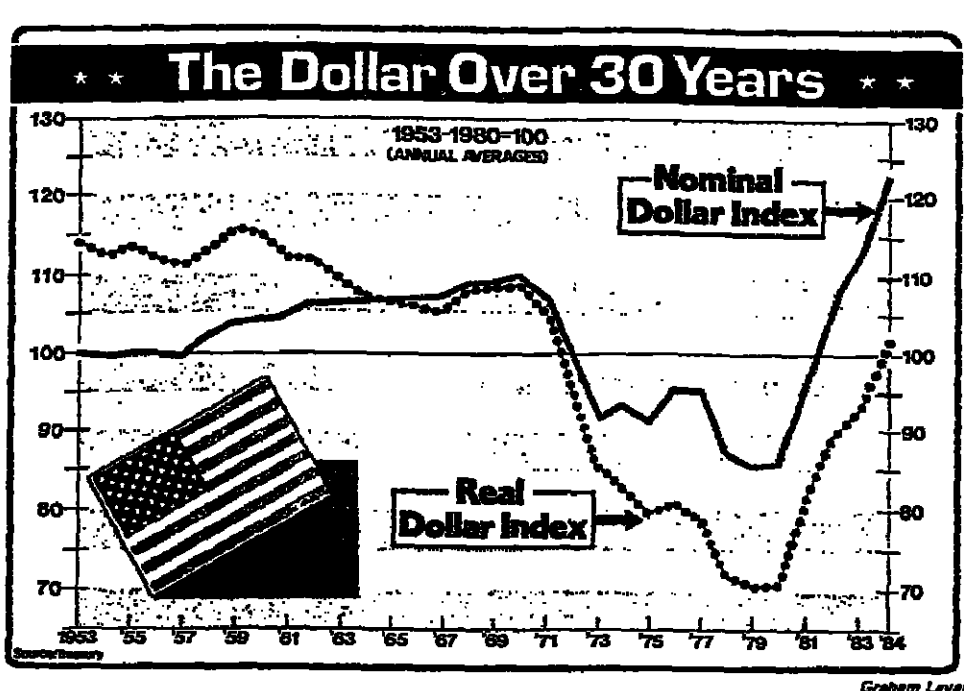
tries such as textiles, footwear and steel, but now even high technology ones such as telecommunications and semi-conductors. The high dollar has also been a factor in the plummeting of farm exports over the past five years.

Senator Dole is frank enough to admit that U.S. trade wars are partly self-inflicted. They reflect the high dollar exchange rate, which itself is due to "our inability to control budget deficits."

A fundamental improvement in the U.S. trading account must involve a rise in domestic savings relative to investment. An attack on the budget deficit, which is negative savings, is the obvious if painfully slow way of improving the overall savings position in the longer term.

Senator Dole himself was one of the leaders of the campaign to reduce the budget deficit, but on which he was stronger than President Reagan. But he stresses that the final budget resolution, which may not be fully implemented, falls well short of original objectives and "the window of opportunity is now closed."

Senator Dole then goes on to list trade barriers maintained by countries like Japan, Korea, Taiwan, Brazil and Australia, which have benefited so much from open markets elsewhere. The Senator clearly does not expect strong and quick enough action from such countries to remove Congressional pressure for protection. His first and most limited further suggestion is that the administration should make more use of existing legislation to "act in a more aggressive manner against allegedly unfair foreign practices."



A more surprising proposal from a conservative Republican Senator is the restructuring of external debts, especially of Latin American countries "to facilitate the resumption of their growth and of U.S. exports to that region."

Senator Dole is certainly not counting on debt restructuring alone. Another option he stresses is unspecified action to alter world exchange rates. He mentions particularly emergency measures to raise the yen by 25 to 30 cents against the dollar.

The dollar cannot be devalued or the yen revalued simply by announcements or by intervention. To make the new exchange rates stick, Japan would have to raise interest rates and the U.S. would have to reduce them. Even then, there might be extremely disappointing effects on both the Japanese trade surplus and the U.S. trade deficit, if no fiscal action were taken to increase U.S. or reduce Japanese savings.

Irrespective of Japanese action, Professor Ronald McKinnon argued at a recent conference to open the new Amsterdam Trade Centre that the Fed should unilaterally reduce interest rates to secure a depreciation of the dollar. This might not have too much effect on the current deficit in the absence of U.S. fiscal measures. But Prof McKinnon argues that it could reverse the long-term U.S. growth by raising the price of traded goods relative to other products and thus giving a "shot in the arm" to the hard-pressed, traded goods sector.

But he hopes it would take the dollar. On the other hand if it shattered confidence, it would have the opposite effect of pushing the dollar down into that "hard landing" which central bankers so much fear. Unfortunately, the counter-productive nature of any action rarely prevents legislatures from embarking on it.

The best approach to world payment imbalances would be to reduce the structural U.S. budget deficit and to divert the Japanese surplus to investment in developing countries. The next best would be for the U.S. and Japan to live with their present trade imbalances so long as they can be financed.

But as the U.S. is unlikely to accept either of these two options, we may have to fall back on third best. This is an adjustment of world-wide monetary policies designed to level the dollar up and the yen and D-mark down. To work fully it would have to be accompanied by limited fiscal stimulation in Europe and Japan; and there would be inflationary risks. Even the desired impact on real exchange rates might be achieved only temporarily — if at all.

Such measures would, however, at least buy time to avoid the fourth best approach, or worst one. This is to allow Congress to take crude direct action to limit imports. This might well not have the desired effect on the trade deficit, but could nevertheless provoke a world trade war and risk triggering off the crash and depression which prophets of doom have been vainly hoping for since the breakdown of Bretton Woods in 1971.

The effect of any kind of surcharge on the dollar is unpredictable. The mechanical effect of restricting imports into the U.S. would be to drive up the

Lombard

De Gaulle and the French bomb

By David Marsh

"STRUCK DOWN today by mechanical force, we can triumph in the future with a mechanical force which is superior. That is the destiny of the world." These grand words would be no more than lines in the history books had not their author—General Charles de Gaulle, uttering them over the BBC from London on June 18, 1940, a day after France sought an armistice with the Germans—returned as overlord to Paris four years later.

Nearly half a century on, they contain a key clue as to why France will not give up the nuclear testing in the South Pacific despite publicity focused on it by the Greenpeace affair.

The oppressive peace forced on Germany after 1918 paved the way for Hitler's re-militarisation. France's paradoxical position in World War Two, occupied for four years and yet present at the victor's table, gave rise to a different form of post-war assertiveness.

De Gaulle (by then out of power) first publicly proposed building a nuclear force in 1951 — two years after the atomic energy commission (CEA) produced France's first plutonium. Ever since, determination that France should take, and subsequently maintain, its place in the nuclear bomb club has been a constant preoccupation of the weapons technocrats who have so steadfastly guided successive Fourth and Fifth Republic governments.

A CEA adviser to M. Pierre Mendès France, the Socialist Prime Minister who gave an initial political impetus to the weapons programme in 1954, describes France's motivation then with words which are still relevant today: "If in international talks you were sitting round a table with a bomb in your pocket, you had more authority. It was like a gang of bandits threatening to pull their knives."

This determination drew strength from U.S. efforts during the 1950s and 1960s first to block and then to ridicule France's efforts to produce A and H-bombs. And the Green-

peace affair may further stiffen resolve in spite of the coming to power of another Socialist politician, M. Francois Mitterrand, who like M. Mendes France strongly opposed the 1960s build up of the force de frappe.

The bowing of moralist politicians to nuclear arms pressures is nothing new. The British Labour government in the 1970s, although publicly committed against moving towards a new generation of nuclear weapons, sanctioned Polaris improvements and did more than the Conservatives to bolster Britain's self-sufficiency in nuclear explosives. President Jimmy Carter, dedicated to ending the arms race, decided to build the MX missile and was the first to shift American policies away from preventing, to fighting, a nuclear war.

But M. Mitterrand offers a particularly poignant example. Having rejected the French nuclear force in 1964 as contrary to his notion of France's "mission in the world," he now declares: "La dissuasion, c'est moi!" and this week will become the first President since de Gaulle to visit Mururoa.

Chased away from the Algerian testing grounds to Polynesia in 1966, forced underground (12 years after the U.S., Russians and British) in 1975, French nuclear explosions have been delayed by controversy for 25 years. The process will continue this autumn as the Greenpeace flotilla heads towards the atolls and the trial of the two French agents starts in Auckland.

In 1963, when the partial test ban treaty was signed, France accounted for less than 1 per cent of the roughly 500 explosions let off by the nuclear powers. Now, out of a cumulative total of about 1,500, the French share is about 9 per cent.

In Paris, over the apparent remorselessness of the superpowers' arms race (claimed to be the motor for France's own drive to test and improve its weapons) there may be resignation; over Greenpeace, no resignations.

Divide and fall?

From Mr. N. de Berris.
Sir, — Michael Cassel brought a most interesting matter to the fore in his September 5 article, "Why new banks may appear on the Thames," which has been the subject of an increasingly urgent debate in the financial community.

One of the unknown factors, making London the world's major and largest international banking centre, is surely how the close proximity of businesses to each other influences their prosperity in a changing world of telecommunications, satellite links and video screens. To put it another way, the importance of the market place in the City of today.

When people come together in small or large groups extra power and energy are produced. This disciplined formally or informally that can be amazingly productive and satisfying for all involved.

Yet we do not actually know to what extent the clients of businesses face the flames of the City's markets. Looking at some other ingredients though: time — zone location, language, offshore banking centre, reasonable regulation, respect for stable democracies — other cities can claim these. But what other cities have such a concentration of their international market places in one square mile, where the meeting of customers and competitors happens daily and, indeed, hourly through natural movement about the area? Is it clear to what extent the City's loss of interest in what they produced, and innovation suffered when consumers could not tell management what they wanted. This continued until imports gave consumers a choice of better quality and then they abandoned U.S. products like the plague.

It would be a mistake to try to turn America into a Japan. Japan's life time employment affects 25 per cent of employees, and furthermore, it would not work in the U.S. because workers move too much. Risk-taking with takeover regulation will not work either. The best way to prevent takeovers is to increase profitability. Highly profitable companies are rarely subject to takeovers. This is not to say that the U.S. has not to learn from Japan.

It is easy to see all kinds of pearls of wisdom in Japan's business conduct, but Japan's success has more to do with common sense than culture. Its businesses have created an atmosphere where workers feel they are a valued asset, and they maintain a close relationship with customers. This requires an openness on the part of business not only to new ideas, but the willingness to incorporate them into the

Letters to the Editor

other space for them or make it available nearer the heart of the matter, which I think it can. Noel A. de Berris, Noel Alexander & Partners, 50, Wardrobe Place, EC4A.

American business

From Mr. B. Cairns
Sir, — Mr. Ronald Dore's article (August 28) on American business like so many today treats the symptoms rather than the disease. American business managements is a faded institution and its \$300-plus deficit says how badly it has failed. This is a new era for U.S. business. Prior to the mid 1970s it had little external competition within its huge internal market. Major corporations like GM set the pace, e.g. prices, and junior companies followed suit. Competition was conducted by marketing strategies, not by innovation and quality. The follow-the-leader approach left consumers with little choice in quality products, and it required little long-range planning.

This approach of competition through marketing led management to assume it was the key to success. This diminished the obvious role played by workers and consumers. Hence, quality suffered. The workers lost interest in what they produced, and innovation suffered when consumers could not tell management what they wanted. This continued until imports gave consumers a choice of better quality and then they abandoned U.S. products like the plague.

It would be a mistake to try to turn America into a Japan. Japan's life time employment affects 25 per cent of employees, and furthermore, it would not work in the U.S. because workers move too much. Risk-taking with takeover regulation will not work either. The best way to prevent takeovers is to increase profitability. Highly profitable companies are rarely subject to takeovers. This is not to say that the U.S. has not to learn from Japan. It is easy to see all kinds of pearls of wisdom in Japan's business conduct, but Japan's success has more to do with common sense than culture. Its businesses have created an atmosphere where workers feel they are a valued asset, and they maintain a close relationship with customers. This requires an openness on the part of business not only to new ideas, but the willingness to incorporate them into the

business. Once American companies open to new ideas, it should not be that difficult to think for the future. Brian Cairns, 7127 N. Ashland, Chicago, Illinois 60626.

Open all hours

From Mr. J. Newman
Sir, — As director of Alcohol Concern Mrs Hayter (September 6) shows amazing naivety. It could well be that France, Italy and Spain, having more liberal licensing hours than the UK, suffer more from alcohol-related problems but what then are her arguments concerning some of the Scandinavian countries where the laws are stricter than the UK but where, from my experience, the visible alcohol-related problems are greater? I fully accept that the visible problems do not present a complete picture but I do believe they are an indication of its depth.

I have been living in a working-class town in Germany for the last three years, where a crate of beer costs £3, a bottle of Scotch £4, wine (which carries no alcohol tax) at 60p a bottle and licensing hours do not, for all practical purposes, exist. Despite these facts it has been my experience, and that of many others, that wherever we have been and regardless of time-of-day, whether alone or together, the signs of alcoholism are far less and the feeling of security is far greater.

I find it rather patronising of Mrs Hayter that she seeks to shift the blame for the problems of the minority on to the well-behaved majority — an event which occurs all too often in Britain — instead of recognising that not necessarily longer but other opening-times could relieve, for many, more problems than she believes they would create for her minority.

It is my belief — and this is said neither glibly nor arrogantly — that the alcohol-related problems reflect the steadily worsening social standards of the country which this and previous Governments (government includes the population at large, as it is we who elect them) have done precious little to correct other than steadily increasing duties on alcohol beverages. In order to swell their coffers, under the pretext of protecting the consumer from himself.

The belief that shorter opening-times and prohibitive duties

will reduce alcoholism is false. The problems lie in the ever decreasing standards in Britain and years of indifference to their decline.

Tackle the roots Mrs Hayter not the results and stop being like the teacher who keeps in a class of 30 because two of their number have been caught smoking.

J. C. Newman, Morriston, 22, 4200 Dorset Road 30, West Germany.

Denied full rights

From Mrs L. Marazzi
Sir, — I read with great interest the article entitled "Reduced rates may deny you full rights" in "Finance and the Female" on August 31. The subject is of relevance to many women and I would like to add a few remarks.

You suggest, quite rightly, that women should write to the Department of Health and Social Security to find out about their entitlement. In the case however, were a woman has been paying reduced rate contributions, having "opted out," she is considered her husband's dependant and therefore the DRSS will not give the woman any information as the periods of insurance are the husband's and it is he who must ask for the information. This can cause problems before a divorce as the wife will not know if her husband's record will entitle her to at least 25 per cent of the standard rate, below which she gets no pension at all.

In the case of a divorced woman who had opted out, the former husband's contributions are taken into account to help to satisfy the contribution conditions. If the woman remarries however, before the age of 60 she will no longer be able to use the former husband's insurance record but will have to rely on the new husband's contributions or on her own.

If the divorced woman remarries a man who has not contributed to the British scheme she loses all entitlement to a British pension, and in most states there are no provisions for a pension for dependant wives. I brought a case on this issue to the European Parliament in order that the Italian and UK legislation in this field be harmonised, but unfortunately without success. (Mrs) Leonarda Marazzi, United Nations, Palais des Nations, 1211 Geneva 10, Switzerland

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Campaigning for West Germany's 1987 election has started already, reports Peter Bruce

Bonn opposition loses scent of victory

THE WEST GERMAN Government is slipping in the popularity polls. Chancellor Helmut Kohl's own standing, according to some polls, has never been so low. His Christian Democratic (CDU) party was soundly beaten in the country's biggest state election, in North-Rhine Westphalia, in the spring. Unemployment is at record levels. An economic recovery at home is, at best, tentative. Herr Kohl's Cabinet continues to accumulate scandal, the latest being the defection of the country's top spy catcher to East Berlin.

The opposition Social Democrats (SPD) came back to Bonn from the summer break nearly three weeks ago knowing that the campaign for the next general election in January 1987 had begun. Quite reasonably they began to scent victory, but things since then have gone wrong with astonishing speed.

Last week only hours before Herr Hans-Jochen Vogel, the SPD leader in parliament, was due to call for the resignation of Herr Friedrich Zimmermann, the Interior Minister, for failing to neutralise Herr Hans-Joachim Tiedge, head of West German counter-intelligence against East Germany, before he defected, the SPD treasurer resigned in an uproar over the state of party funds.

Herr Zimmermann remains in office, as he probably would have done anyway, but the SPD attack

on him in parliament was swiftly shut out by the resignation of Herr Hans-Jochen Vogel.

A week later the party allowed itself to be wrong-footed again, this time by an innocuous and unimportant paper written by a defence working group which suggested that West German defence policy should over the next 20 years begin to concentrate on purely defensive measures and have as its final goal the removal of Soviet troops from Eastern Europe and the subsequent withdrawal of U.S. troops from West Germany.

The Government kept its mouth shut about the leaked document, accusing the SPD of planning something amounting to treachery.

Both the resignation of Herr Zimmermann and the defence paper will probably be forgotten long before the spy scandal, but the two incidents have thrown into sharp focus just how fragile the apparent pre-summer calm in the SPD was.

Despite official denials of any serious financial problems, many SPD officials share Herr Zimmermann's vision of near bankruptcy.

Debts, mainly with the union-owned Bank für Gemeinwirtschaft (BfG) are officially put at around DM 60m (\$20m). Unofficial totals are as high as DM 200m. The party will have to borrow more to finance a state election in Lower Saxony next year and then again for the general election.

Membership has fallen 40,000 to around 940,000 since the last general election in 1983, and an expensive project to computerise the party nationwide is way behind schedule and over budget.

Into this situation steps Herr Johannes Rau, premier of North-Rhine Westphalia and the man who crushed Chancellor Kohl's party in that state in May. Herr Rau, 54, is being primed by the party machine as the man most likely to beat Helmut Kohl as candidate for the chancellorship in 1987.

Herr Rau is currently involved in discussions with the party chairman, former Chancellor Willy Brandt, over the latter's insistence that SPD election platforms should not exclude possible co-operation in government with the Greens environmentalist party. Herr Brandt has a soft spot for political minorities, including the Greens, but Herr Rau will have nothing to do with the Greens. He said so during the North-Rhine Westphalia election and beat them handsomely.

Many MPs on the centre and right of the SPD regard Willy Brandt as a liability and meddler. They charge him at least of failing to discourage the rise of the left within the party, notably in the form of Herr Oskar Lafontaine, who won the Saarland for the SPD from the CDU earlier this year and who

holds strong reservations about Bonn's commitment to NATO.

Herr Rau will also step into a party where forces pushing for a government-inspired refutation are very strong and where those opposed to such a move are also split. His one strength in this will be the fact that he owes no debts in parliament. He has a working relationship with the heads of industry in North-Rhine Westphalia and it is quite possible he may turn to some of them for advice instead of to his own party colleagues.

He does not have that option on defence and foreign policy, the party's Achilles heel. He has described himself as a "pupil of Willy Brandt on Ostpolitik" and of Helmut Schmidt on NATO. That is to say he will want to try and ease tension with the Eastern-bloc while at the same time strengthening the Western military alliance. While the two are not mutually exclusive, they will be difficult to sell as complementary. Helmut Kohl has always made it clear that his priorities lie to the West.

Herr Rau is totally inexperienced in foreign policy and SPD officials already have nightmares about him being pressed for his views on foreign policy points that the party machine has not even thought of.

He may, however, turn his back on both left and right in the SPD in Bonn and bring with him to the cap-

ital people he knows and trusts from his state chancellorship in Düsseldorf. Two people in particular, Dr Klaus-Dieter Leister, head of Herr Rau's personal office, and Herr Karl-Heinz Benschler, his chief of planning, are likely to be a particularly powerful influence on Herr Rau.

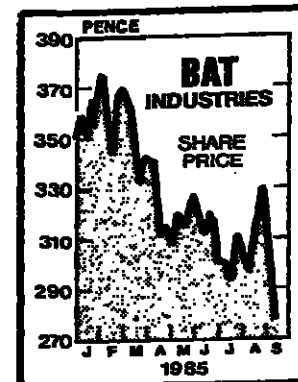
The likelihood is that Herr Rau will have to run a highly personal campaign in 1987 both to extract himself from the party quagmire and in an attempt to mask divisions in the SPD from the electorate. He is not without hope. He is already a cult figure in North-Rhine Westphalia where a third of West German voters live.

The sooner Herr Rau is nominated, therefore, the longer he will be exposed to a very professional attack. The SPD is still in the throes of trying to modernise fundamental policies adopted in the so-called "Godesberg programme" in 1959 when it turned away from Marxism to social democracy. This effort is still underway and dozens of working groups have until the party convention in 1986 to come up with final policy recommendations.

That probably means that more "ideas" potentially embarrassing to Herr Rau will surface between now and next autumn's conference. His best hope is that the Government, uncharacteristically prone to political scandal but curiously hard to damage, makes a really serious mistake.

THE LEX COLUMN

Chesty sounds from BAT



If the BAT results had suffered from nothing worse in the first half of the year than a £16m reverse on the translation of foreign currency earnings the share price would probably not have dropped yesterday by 45p. Though the market had unquestionably underestimated (and by about £50m) the cost of harder starting rates against non-dollar currencies, disappointment with BAT's £44m profit before tax had much more to do with a poor operating performance in retailing and insurance.

The company's return to favour was not founded on the expectation that underlying profits would fall in 1985, even by a marginal 5 per cent.

There is some question whether the old problem with BAT - an uncertain touch in diversification - may not be resurfacing. Though Allied Dunbar was regarded with suspicion when BAT acquired it, its initial contribution is well up to the mark. But Eagle Star has gone through the mangle of the UK motor account, and is still picking up market share with almost worrying determination.

Meanwhile the sickly outcome in U.S. retailing has reawakened doubts about the quality of some of the stores; not everybody is convinced that BAT should persevere with Gimbels. At least BAT's dividend growth remains well above the going rate; a handsomely covered 6 per cent yield (at 278p) should persuade doubters to live with the volatile earnings - even if a multiple of 6 is perhaps not low enough to bring back many unbelievers.

Hanson/SCM

It was not entirely clear last night whether Hanson Trust would bow out gracefully from its battle with the managers of SCM, but Wall Street had certainly made up its mind: SCM's share price drifted well below yesterday's \$74 a share after the management consortium which, given a sceptical discount for the debt securities on offer with the buyout, argued the English had been repelled.

Hanson could still surprise Wall Street, as it has done before. If the management of SCM thinks the business is worth \$74 a share - and it presumably should know - then the City may be wrong in holding that the original Hanson offer was full and fair enough. It is also hard to imagine Hanson's U.S. bankers would refuse to back an offer of up to \$1bn, even given the premium to

the collateral in SCM's balance sheet.

Yet although the management consortium is only making 80 per cent of its offer in cash, the proposal has the virtue of being plausible: unlike the attempted buyout at U.S. Industries, Hanson's last great U.S. victim, the finance is already in place. The cost to SCM's shareholders is an option for one of the management's backers, Merrill Lynch, to buy the company's best businesses at what look like bargain multiples. Whether Hanson might itself have sold the titanium dioxide and food interests is beside the point; in effect, Merrill Lynch is taking the potential discount to market multiples as its fee for saving the management.

If Hanson has been rebuffed in New York, it can at least draw encouragement from London where one of its better fancied targets yesterday lost a few more friends. Bowater Industries managed to produce interim pre-tax profits which, at £13.2m, were below even the most unenthusiastic forecasts; and if Bowater's profits were depressed by the heavy revenue costs of modernising basic businesses well, that is all grist to the Hanson mill.

It could be that investment in the tissue division and in paper, as well as the cluttered merchandising and services division, will show through next year. But with pre-tax profits unlikely to be much over £10m this year, Bowater will be vulnerable in the short term and is probably less well-protected by prospects than Hanson's traditional disaster for partners, such as Bowater-Scott.

BTR

The foreign exchange tribulations of BAT have not been visited upon BTR. Despite switching from average to period rates, it seems that the total effect of currency on

its first-half profits was negligible. And pre-tax profits of £151m were just what the market was looking for, set into brighter relief by the absence of a rights issue to pay for Dunlop - which had been a shadow across the shares for some while, up 15p yesterday to 356p, the price betrayed considerable relief.

Though the newly labelled "sales or turnover" total would have shown relatively little growth without three months of Dunlop and five of Nylax, there would still have been pretty reasonable growth in operating profits; on the existing base, BTR evidently continued to improve its return on sales - and even the inclusion of Dunlop has not dragged the group margin below 10 per cent.

The assimilation of Dunlop appears to be going according to plan: BTR's capital gearing should be down from 100 per cent to a less risky 65 per cent by the year-end, and an initial contribution to operating profit is already in the bag; of the £10m thrown up by BTR's two acquisitions, Dunlop apparently generated the greater part. With better returns on these new assets, and a falling interest charge, BTR should not be too far short of £400m at the full year (currency permitting).

Home Loans

It may not amount to the arrival of a U.S. style securitised mortgage market - tradable mortgage-based bonds remain a tantalising possibility - but flotation of the National Home Loans Corporation will give mortgage lenders a new way to overcome the illiquidity of brick and mortar. And it should also give investors an opening into the tempting gap between mortgage rates and the cost of wholesale funds. No surprise that the issue could have been fully subscribed without a public offer.

With £50m of equity to gear up, and as much in very cheap convertible stock, Home Loans will be able to support a large mortgage book from the outset. And the fact that local authorities have piles of unwanted mortgages waiting to be reassigned, while insurance companies not equipped with Home Loans' overdraft facility may be equally willing to shed some of their load, means that the assets will not be hard to assemble.

Exploiting this opportunity should get the company off to a good start; in the longer term, the company's success will depend equally on picking up some share of an increasingly cut-throat retail market.

Strasbourg approval for Spain, Portugal

By Quentin Peel in Strasbourg

THE EUROPEAN Parliament yesterday ratified by a large majority the terms of EEC membership for Spain and Portugal, due to take place on January 1 next year.

The vote - a legal requirement of the Treaty of Rome - means that the Strasbourg assembly now joins the national parliaments of Spain and Portugal themselves, and of Belgium, in approving the mass of detailed legislation involved in the accession terms. All the other nine national parliaments have yet to complete the ratification before the ten can become twelve.

Both French Gaullists and members of the extreme right-wing group of the European right abstained in the European Parliament after voicing their fears about the consequences of enlargement for Mediterranean countries inside and outside the EEC.

The outright opponents of enlargement consisted principally of Communist members from France, Denmark and Greece, backed by anti-market forces from Denmark.

Spanish and Portuguese membership of the Community is likely to increase the competition for major agricultural products from Mediterranean states, such as wine, olive oil, and citrus fruits. The European Parliament report expressed concern that the cost of such consequences be borne by the whole Community and that measures also be taken to offset the costs of enlargement for non-EEC Mediterranean states. The MEPs also called for prompt action to speed up Community decision-making.

Botha move on citizenship

Continued from Page 1

any reform, the Right Reverend Desmond Tutu, the Nobel Peace Prize-winning Anglican Bishop of Johannesburg, called for a nationwide strike.

Addressing a conference of 400 black and white church leaders in Pietermaritzburg, Bishop Tutu said he would call on black South Africans to stage a week-long strike next month unless the Government agreed to lift the state of emergency; remove the army from black townships; charge or release detained political prisoners; and engage in talks with black leaders.

UK warned on need to ensure 'soft landing' if dollar falls

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE UK Government should be prepared to relax fiscal policies as part of a worldwide co-operative effort to cushion the effect of future falls in the dollar, an influential committee of British MPs said yesterday.

The all-party Treasury and Civil Service committee says that Japan and West Germany are the two countries best placed to expand demand in reaction to the effects of a falling dollar.

The committee notes that France and the UK both have external accounts in balance, "though for France there may be a concern that inflation has not been reduced sufficiently."

The committee's report on international monetary arrangements focuses on the major imbalance between the U.S. budget trade deficits on the one hand and Japan's trade surplus and surplus of savings on the other hand.

The best solution, the committee

believes, would be a "soft landing" for the dollar resulting from further efforts to cut the U.S. federal budget deficit, with perhaps some easing of monetary policy by the U.S. Federal Reserve.

However, any reduction of the U.S. trade deficit, whether accompanied by a fall in the dollar or not, would necessarily mean that other countries' trade surpluses were cut. The committee says, therefore, that some other stimulus would be needed to maintain the pace of activity while at the same time leaving room for the reduction of the U.S. trade deficit.

"Apart from the direct needs of the industrialised countries themselves, the stimulus will be essential for the health of those countries with heavy debt burdens," the committee says.

One of the major reasons why an adjustment in the U.S.'s external position is necessary, the committee says, is that "the risk of a return

to a contagious round of protectionism has to be taken seriously."

"If remedial action is not taken, we fear for the future of the world's trading system."

For Japan, it recommends an expansion of domestic demand along with measures to reduce barriers to trade and financial flows.

For the UK, it says that "if growth does fade, we hope that the Chancellor (of the Exchequer) will be prepared to take the view that in the circumstances the Public Sector Borrowing Requirement projections are not immutable."

And if the dollar falls, it says there should be no difficulty in financing a more expansionary PSBR.

In a memorandum to the committee published separately, the West German Bundesbank, the central bank, argues that the UK should become a full member of the European Monetary System.

Fireman's Fund sale set to raise \$600m

By Paul Taylor in New York

AMERICAN EXPRESS, the U.S. financial services group, yesterday detailed its previously announced plans to spin off its troubled Fireman's Fund property/casualty insurance unit through a public share offering which values Fireman's Fund at almost \$1.7bn.

The move, which will involve the public offering of 32m shares, will reduce the American Express holding in the insurance company to 45 per cent and generate about \$600m in proceeds for the parent.

Under the terms of the plan detailed in a U.S. securities and Exchange Commission (SEC) filing made yesterday, the 32m shares being registered comprise 24m being sold by American Express and 8m new shares issued by Fireman's Fund. An additional 32m shares of Fireman's Fund owned by American Express will be available to cover underwriters' over-allotments.

American Express said yesterday that it expected the shares to be offered at between \$24 and \$27 each. Upon completion of the deal assuming the underwriter's over-allotment option is not exercised, American Express said it will hold about 45 per cent of Fireman's Fund's then outstanding 68m shares, with the West Coast insurance group's employee stock ownership plan holding about a 5 per cent stake.

The public offering will be underwritten by Shearson Lehman Brothers, the American Express Wall Street unit, and Salomon Brothers.

When completed, the restructuring will bring about American Express's long-awaited disengagement from its troubled insurance unit, the problems of which first emerged in late 1983 and which have dogged the financial services group's earnings ever since.

American Express first unveiled its plans to restructure Fireman's Fund in June when it announced the surprise resignation of Mr Samuel Wall, American Express president, who also served as chairman and chief executive of the insurance unit.

Since then American Express has announced a further \$187m addition to loss reserves at the unit and brought in Mr John Byrne, chairman and chief executive of Geico, a major U.S. motor insurance group, to head the unit.

Last month, in preparation for the share offering, American Express's travel-related services company paid \$330m in cash to acquire Fireman's Fund's profitable life and accident-health insurance operations.

Fireman's Fund ranks as the nation's 10th largest property and casualty insurer, and like others in the U.S. industry it has been hard hit by large underwriting losses since 1980. Although there are indications that the sector is starting to reverse a long-term adverse pricing cycle, Fireman's Fund has continued to post net losses - despite profits from its significantly smaller, and now transferred, life operations.

Last year the property/casualty operations recorded a net loss of \$7m on \$2.8bn in premium income and \$428m in investment income.

Howe fails to repair rift with Nigeria

Continued from Page 1

A fund agreement, he pointed out, would "open the way to new credits." An agreement with the IMF has been made a condition by Western export credit agencies to the rescheduling of about \$2bn in insured trade arrears.

Sir Geoffrey's views may well be supported by Mr Kulu Kalu, the country's new Finance Minister. In an interview with a local paper last October, Mr Kalu was reported as saying that Nigeria "needs the IMF loan... we need the breathing space."

He said there was nothing sacrosanct about an exchange rate. "It should not be regarded as a national flag but as an instrument that should be adjusted to attain specific policy objectives."

Sir Geoffrey asserted that Britain would do all it could to "ease Nigeria's path" in difficult negotiations with the IMF for a loan that could exceed \$2bn.

Questioned on South Africa, Sir Geoffrey attempted to play down the extent of the wide divergence on policy between Britain and Nigeria. There was "total agreement" between the two sides on the need to dismantle apartheid, "even if we do not see eye-to-eye on how best to tackle injustice there."

Britain 'leads Japan' with new products

Continued from Page 1

time, when it is too late, that the research to underpin the developments of the 1990s has not been done."

The Japanese were also much more satisfied with the effectiveness of non-university, government-financed research institutions than those in the West, perhaps because such institutions are more widely established and accepted in Japan than elsewhere. Dr Avison suggested that they existed in Europe and the U.S. but were obviously not being exploited by industry. Half the British executives had no opinion on the effectiveness of these institutions.

The Japanese look to new technologies to help them develop new products while Western countries seek to use technology primarily to reduce costs or raise output, a difference which Dr Avison believes shows the Western countries as having a fairly defensive approach to international competition.

The Japanese commitment to technology was also reflected in the relatively frequent appointment of a board member responsible for technology. Of the 35 Japanese executives questioned, 10 had such a board member, whereas only one in Britain and two in the U.S. did.

The points of agreement among the executives were also surprising. They were virtually unanimous in finding that trade unions were not a major obstacle to the introduction of new technology in industry.

The executives also agreed, with one dissenting voice, that high interest rates were not an obstacle either. The Americans and West Germans were most concerned about government regulations and restrictions, a factor raised by only one British interviewee. The Japanese and British, on the other hand, were worried about the lack of qualified technical staff.

But the Mori interviewers, who aimed to speak to executives in the top 12 companies in each sector in each country, detected a significant difference in the attitudes of the Japanese and British toward the staff problem. The Japanese, it seems, are worried mainly about the quality of technology graduates coming out of universities, while Western, and especially British, executives are upset about the inadequate quantities of them.

Attitudes to New Technology - An International Survey, PA Technology, 32 Old Queen Street, London SW1E 8HP.

Hanson drops SCM bid

Continued from Page 1

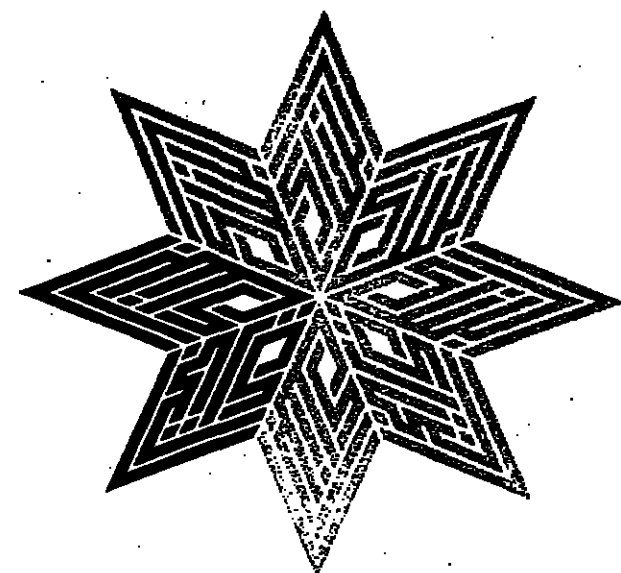
he had estimated that the company was worth between \$73m and \$79m.

Mr Lloyd added that the proposal to sell the pigments division in what he called a "sweetheart deal", made it very difficult for Hanson to proceed with its offer. This division contains SCM's titanium dioxide business, which is the fastest-growing profits earner in the company and makes the largest single contribution to earnings. The consumer foods division is also expected to generate strong profits over the next few years and is a highly saleable commodity in current market conditions, where food

companies have been the subject of several takeover bids.

In the year to June 30, SCM reported net income of \$41.8m, or \$4.20 a share, on sales of \$2.18bn. Analysts expect it to move into a strong recovery phase this year, however.

If the management buyout proposals go through, it is also likely to shed several of its businesses to pay debt taken on to finance the offer. Among the most likely assets to be sold are its paper and pulp interests and its Smith-Corona portable typewriter division, which has been hard hit by Japanese competition.



ANATOMY OF A STAR

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World Weather

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JOBS COLUMN

What happened to new university graduates

BY MICHAEL DIXON

£1,200M is a fair deal of money. It is roughly the sum British taxpayers invested in the higher education of the people covered by the accompanying table—60,802 men and women who gained bachelor-level degrees at United Kingdom universities in the summer of last year.

They do not represent the whole of the universities' 1984 output at bachelor level. Besides them, there were 4,575 who took first degrees in medicine, dentistry and veterinary science who are excluded from my figures. Also left out of reckoning are 7,596 graduates in various subjects of whom the universities had lost trace by December 31 when they took stock of what had happened to the previous summer's degree-winners.

What the table does is to take the 60,802 non-medical types whose whereabouts were known at the end of the year, and show broadly where they went. In the case of each destination such as "engineering and allied industry", I have also shown how its 1984 take-up compared with its take-up 10 years before when there were only about two new university graduates for every three last year.

The degree winners are split into five subject groups. First comes engineering and technology including architecture. Second are sciences including mathematics. Next come three of the more generally work-

	Engineering and technology		Sciences		Management, economics and accountancy		Other social studies		Arts		All subjects*	
	Number	Change	Number	Change	Number	Change	Number	Change	Number	Change	Number	Change
	in 84	on 74	in 84	on 74	in 84	on 74	in 84	on 74	in 84	on 74	in 84	on 74
		%		%		%		%		%		%
Engineering and allied industry	3,196	+ 52	1,673	+ 66	237	+ 56	235	+ 44	164	+ 50	5,505	+ 56
Other industry including agriculture	2,676	+ 9	1,730	+ 12	379	+ 99	484	+ 32	482	+ 70	5,751	+ 19
Accountancy	109	+ 80	227	+ 74	1,039	+ 155	841	+ 124	431	+ 182	3,327	+ 119
Banking, finance and insurance	77	+ 97	561	+ 54	431	+ 239	509	+ 145	518	+ 151	2,096	+ 127
Other commerce, leisure and entertainment industry	530	+ 14	1,974	+ 78	381	+ 34	1,523	+ 11	2,200	+ 113	4,428	+ 35
Education**	103	+ 58	443	+ 12	47	+ 9	958	+ 122	391	same	1,942	+ 35
Armed Forces	171	+ 217	143	+ 145	32	+ 433	105	+ 218	52	+ 258	544	+ 214
Other public services	471	+ 22	1,421	same	197	+ 19	1,227	+ 7	938	+ 7	4,354	+ 8
Further academic study	1,067	+ 20	3,491	+ 9	151	+ 25	985	+ 5	1,046	+ 4	4,740	+ 5
Teacher training	85	+ 51	1,050	+ 47	90	+ 50	459	+ 30	1,722	+ 49	3,606	+ 49
Other training including law	279	+ 98	518	+ 51	159	+ 112	3,269	+ 85	2,077	+ 72	6,302	+ 78
Returned or went overseas	1,452	+ 169	889	+ 72	346	+ 156	894	+ 88	928	+ 20	4,709	+ 76
At best short-term job in UK	913	+ 122	2,531	+ 97	440	+ 72	2,296	+ 71	2,292	+ 76	9,298	+ 85
Total	11,499	+ 37	17,251	+ 25	2,449	+ 72	14,185	+ 37	13,918	+ 23	60,802	+ 32

* Excluding medicine, dentistry and veterinary science. ** Mostly in universities, polytechnics and colleges.

related subjects in the social studies area—management studies, economics and accountancy. Fourth come other social studies including law and geography as well as sociology and psychology. Fifth are arts subjects. Then follows each destination's take-up of graduates in all subjects.

It is sad, of course, that 1984's biggest taker in all subjects was "at best a short-term job in the UK". But since employment prospects for new graduates have evidently much improved, next December's count should show more satisfactory results.

The at best short-term

category includes people not available for employment and those believed unemployed in addition to those in only temporary work. All told, they numbered 9,298 last year, 15.3 per cent of the total of 60,802. Broken down by subject groups, however, the percentages in the category vary. Engineering and technology did best with a mere 8.5 per cent. Management, economics and accountancy did next best with 11.6, followed by sciences with 14.7 and other social studies with 16.9. Arts people did worst with 21 per cent.

While the short-term category's take-up was 55 per cent

higher than in 1974, there were three other categories which increased their intakes even further in the 10-year period.

The prize went to the Armed Services, which more than trebled their number. But they started from a very small base in 1974 when they recruited only 373 university graduates. With that exception, the leading contenders in the race to increase their recruitment of degree-winners were the banking, finance and insurance sector, and accountancy. Both more than doubled their intakes by comparison with a decade before.

The engineering and allied

industry sector did not do badly either. Its 56 per cent increase in take-up was well ahead of the 32 per cent rise in the universities' total output.

The biggest decrease was in the numbers going to train as schoolteachers. The cut was intended, of course. It began with the decision of the Labour Government in the mid-1970s to reduce student places on teacher-training courses in line with the decline in the UK's school-aged population—a policy which the Conservatives continued.

In the circumstances Sir Keith Joseph, the present Secretary for Education and

Science, may even feel pleased to see that the intake of students into teacher training fell less than did the intakes of other kinds of graduates. After all, he is particularly concerned to improve the science education of the country's children.

But given that the teachers' pay dispute is now seven months old and shows no sign of ending, I doubt that the intake of 1985's new graduates into teacher-training will give him anything to feel pleased about at all.

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To further this success, the company wishes to recruit an Investment Marketing Manager to identify potential markets and further develop the existing new ones. Your role will be to develop a corporate strategy and identify for investment oriented products — such as fund management, unit trusts and any pension fund options arising from government legislation. In addition, you will build up business by seminars, effective literature and, most importantly, presentation

to directors and trustees. Preferably a graduate and aged around 30-35, you will be a successful marketing professional whose career includes a minimum of five years' experience in the investment and finance sectors. This is an outstanding opportunity to take a senior role in an established organisation about to embark on a major development phase.

Write or telephone for an application form or send detailed c.v., giving salary progression, to Douglas Kinnaird, quoting ref. SM96/9524/FT on both letter and envelope. No details are divulged to clients without prior permission.

PA

PA Personnel Services

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Mid-twenties?
Hungry for Swaps?

ASSISTANT MANAGER

Capital Markets

c.£20,000+ Benefits

Sowerby's Selection

The City-based UK subsidiary of a well-known international Finance and Investment Organisation continues to expand rapidly and a new requirement has just been identified for an ASSISTANT MANAGER to be attached to the Corporate Finance Department.

Reporting to the Associate Director — Capital Markets, your fundamental responsibilities will be to provide support equally on Swap business as well as use your ability to assist in new product development, including merger and acquisition opportunities.

Aged in your mid-twenties, you must have spent at least two years with a Merchant Bank's Syndications/Corporate Finance Department or an equivalent financial institution which has had dealings in the Capital Markets area. Confident, alert and team-orientated you will welcome this opportunity to join a new and enthusiastic Department which has already achieved a very enviable reputation in the Market.

The salary package is negotiable, as indicated and other normal banking benefits include Pension/Life Assurance, Private Health Scheme, Mortgage Subsidy, Personal Loan facility, etc. Future career prospects are simply superb.

If you feel you have the relevant experience my client seeks, then ring or preferably write (in total confidence) to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5FA. Tel: 01-439 6288.

Major UK Stockbroker

Gilt-edged Sales Executives

Our Client, a leading UK broker with a substantial share in the gilt-edged market, is seeking highly motivated salesmen. Candidates should have a track record in fixed interest markets, although more emphasis will be placed upon proven sales ability and dedication than direct experience in the gilt-edged market.

The gilt-edged market is entering a period of rapid change and our Client is fully committed, as an authorised market maker, to be a major player in the new environment. The firm sees the new gilt-edged market as part of its strategy of further expanding its role in international capital markets through its offices in London and overseas. As such the potential career prospects for the appointee are very considerable as will be reflected in his/her remuneration.

Please reply in the first instance (quoting ref 677), to Digby Dodd at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-246 0355.

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ECONOMISTS/ECONOMETRICIANS

The Economics Department and Treasury Division of Barclays Bank both have a number of vacancies for Economists and Econometricians.

THE ECONOMICS DEPARTMENT — is situated in Poole, Dorset and employs over 30 graduate staff, engaged in varied research work. Emphasis is on applied work with a view to assisting senior Bank management in decision making, as well as providing a service for the Bank's customers at home and abroad. The Department is divided into three main economic sections dealing, respectively, with developed economies and financial markets, industry analysis and country risks. Current vacancies would be particularly suitable for Economists with an interest in international financial markets. Candidates should possess a good degree in economics and preferably some relevant work experience, although opportunities exist for young graduates with good qualifications. Salary will be in the range £8,000 — £15,500 depending on experience.

A further vacancy exists for an Econometrician, who would join the small econometrics unit which undertakes appropriate research to support the economic sections. The ideal candidate should have a strong econometrics qualification, preferably with some applied work experience. The salary for this post will be approximately £13,000. Good career opportunities exist.

TREASURY DIVISION — Located in the City, Balance Sheet Management Section currently has 7 graduates with economics or related degrees (e.g. statistics and mathematics) who help formulate policy on the management of the Bank's balance sheet and provide day-to-day advice on interest rates and short-run dealing strategies. There is a good balance between regular duties, ad hoc problem solving and longer term research work.

There are currently two vacancies, for applicants who between them will be able to assist in the production of regular balance sheet and interest rate forecasts, advise on the use of new money market instruments and help to monitor changes in balance, risks and financial developments. Applicants will probably have a degree in economics, econometrics, statistics or mathematics, with at least one probably having either a master's degree or good practical experience.

There is a well-established career structure within the Section and good opportunities for further progression. The minimum starting salary, inclusive of London Allowance, for a new entrant is £9,000 but could be as high as £16,500 depending on experience.

In all cases the jobs carry substantial fringe benefits, including non-contributory pensions, bonus and profit-sharing schemes. If interested in any of these posts, write enclosing c.v. to either:-

Mr D Gorman, Manager,
Economics Department, Barclays Bank PLC,
Barclays House, 1 Wimborne Road,
Poole, Dorset BH15 2EB;
or to
Mr R O Close,
Assistant Treasurer, Barclays Bank PLC,
Treasurer's Department,
29 Gracechurch Street, London EC3V 0BE.

Candidates may wish to be considered for both areas in which case they should indicate their preference.



BARCLAYS

Major Merchant Banking Group

Director of Personnel

The City of London

c.£50,000 + benefits

Our Client is one of the major groupings arising out of the City's current reorganisation. Their activities include all aspects of International Merchant Banking, Securities Trading and Investment Management. We have been retained to help find a Group Personnel Director — this is a new appointment.

Our Client seeks a person who will take charge of and develop the existing Personnel Department. The key areas for attention are the integration of newly acquired businesses, recruitment, management development, remuneration, pensions and overseas employment etc. Candidates are not likely to be less than thirty-five or more than forty-five and should combine a high intellectual level with Personnel skills. Ideally they will have worked in the Financial area but, alternatively, will be able to combine experience in forward looking 'people orientated'

businesses with some exposure in the management consultancy field.

In addition to the salary which is negotiable and which will reflect the exceptional degree of personal involvement called for, there will be the normal senior level benefits including a subsidised mortgage.

Please write in the first instance in confidence to Colin Barry, Senior Partner, Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-246 0355. Please include a detailed and specific curriculum vitae stating achievements to date and current remuneration.

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A challenging position with scope to build an effective administration team and to move to a more senior position in London or New York within 2-4 years.



DIRECTOR OF ADMINISTRATION — INVESTMENT BANK

LONDON — CITY

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LONDON ARM OF A MAJOR U.S. INVESTMENT BANK

For this new position we invite applications from administrators aged 28-40 with an accounting qualification, ACA, ACCA or ACMA, who have achieved not less than 5 years' practical administration and accounting experience and are now likely to hold the administration position of either number one or number two in an investment or merchant bank. Responsibilities are widely drawn and will cover: to study existing accounting reporting systems, the establishment of tight monthly reporting systems in line with both the London and New York requirements, and the administration relating to bond and equity settlements and arbitrage, etc. as well as the London personnel administration function. A forceful yet diplomatic personality and the ability to mould the London communication and information systems to fit with the New York requirements is important. Initial salary negotiable £28,000-£45,000 + car, non-contributory pension, free life assurance with free family BUPA. Applications in strict confidence under the reference DA4378/FT to the Managing Director: CJA.



LONDON

Scope to move to position of a Senior Dealer within 24 — 36 months.

INVESTMENT DEALER

c. £35,000

AUTONOMOUS BRANCH OF A MAJOR INTERNATIONAL BANK

This vacancy calls for dealers, aged 25-35, who have gained at least 2 years' practical experience in fixed interest dealing acquired either in a stockbroking box, a merchant bank or European House. The successful candidate will be responsible for executing the dealing on behalf of clients of the bank and the bank's investment managers. The ability to work as part of a progressive and united team, a sense of humour and a positive competent manner are essential requirements. Initial salary negotiable by way of high basic salary + bonus, c. £35,000 + car, mortgage subsidy and contributory pension, free life assurance, free family BUPA, assistance with removal expenses if necessary. Applications in strict confidence under reference ID4379/FT, on 01-638 0553 or by post to the Managing Director: CJA.

Opportunity to advance to Head of Department within the medium term.



SENIOR DOCUMENTARY OFFICER — FOREIGN DEPARTMENT

CITY

£16,000 — £20,000

LEADING INTERNATIONAL BANK, A PRIME NAME IN THE MARKET

We invite applications from candidates aged 28-35, who must have had significant banking experience in documentary credits, bills and other trade finance related instruments. Some supervisory background is essential and a second European language will be an advantage. As number two in a professional and developing team the successful candidate will be responsible for motivating and controlling a staff of 20, ensuring the smooth running of the Foreign Department on a day-to-day basis. There will be some liaison with customers and the selected applicant will work closely with the Head of the Department in business development matters and deputise for him in his absence. Essential qualities are sound technical abilities plus management, commercial and communication skills. Initial salary is likely to be in the range £16,000-£20,000 and will be supplemented by the full range of banking benefits. Applications in strict confidence under reference SD0/17081/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576 TELEX: 887374. FAX: 01-638 9216

PLEASE ONLY CONTACT US IF YOU ARE APPLYING FOR ANY ONE OF THE ABOVE POSITIONS. HOWEVER, ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT — PLEASE TELEPHONE 01-628 7539.

General Management

Forth Valley Health Board

£30,000

Forth Valley Health Board has a budget of £25 million and 8,000 employees, providing health services for a population of 275,000 throughout Central Scotland.

A new appointment of General Manager is to be made, responsible to the Board for all aspects of financial and general management and responsible on behalf of the Board to the Secretary of State for efficient and economic administration. Emphasis initially is on strategic and resource planning, developing effective organisations and implementing agreed programmes.

The requirement is for a record of success



Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

in a general management or senior financial role within a large complex organisation, ideally encompassing a period of major change. A knowledge of the Health Service would be valuable, as would familiarity with the Scottish scene.

Salary: Negotiable around £30,000.

Location: Stirling.

Please write in complete confidence to Peter Craigie as adviser to the Board. Closing date is 27 September 1985.

Arthur Young Management Consultants, 17 Abercromby Place, Edinburgh EH3 6LT.

BBC
ENTERPRISES

CHIEF EXECUTIVE COMMERCIAL OPERATIONS

BBC Enterprises Ltd, is the commercial arm of the BBC. It is being re-organised into three major marketing and trading divisions:-

Programmes - responsible for the worldwide exploitation of BBC programmes and related books, records and home video.

Education and technology - which sells programmes and books for education, training and computer software and hardware.

Journals - producing such titles as *Radio Times*, *The Listener* and *Wildlife*.

For the first time a Chief Executive is to be appointed, reporting directly to the Deputy Director General of the BBC, who will co-ordinate all commercial activities and will review and implement marketing strategies across the three divisions. Annual turnover is currently some £100 million and profits generated are essential to help fund domestic radio and television programmes.

This is a unique opportunity for someone with a proven record of profit achievement in a sales led organisation, who will probably have a marketing background, but will certainly have leadership skills of a high order.

Based in West London, relocation expenses will be considered. Starting salary will be around £40,000 with car.

Applications should be addressed to Christopher Martin, Director of Personnel, BBC, Broadcasting House, London, W1A 1AA.

Closing date for applications Thursday 3rd October 1985.

We are an equal opportunities employer

RISK INVESTMENT

The City Office of 3i develops investment opportunities, often in special risk situations, principally with listed and larger private industrial and commercial companies and also in the shipping and energy industries. It will invest up to £35 million in any one proposition. Recent assignments have included funding capital projects, lending with and without equity participation, and providing equity and loans for management buyouts and recoveries. We have 20 executives working in five teams.

We are looking for

Controllers

You will become involved in the analysis and assessment of a company's business, negotiations with the company's management and its professional advisers, and in the monitoring of our existing investments.

You have the following profile:

Age: 25-32

Background:

University degree and further qualification, probably as a Chartered Accountant, Lawyer or Business School graduate. You should have had experience of contributing to the decision-making process in a commercial environment.

Other Essential Qualities:

You must be a self-starter, have an eye for detail, be able to work under pressure and write concisely.

One of the posts will be filled by a numerate person who has experience in financial modelling on main frame and micro computers and would be interested, in the first instance, in working on leasing for ships and energy finance.

The total remuneration package will be fully competitive in the financial sector.

Please send a current CV to Kathleen Rawle, Personnel Manager, Investors in Industry plc, 91 Waterloo Road, London SE1 8XP. Tel: 01-928 7822.



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FUTURES MARKETING OFFICER

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This large and well-known international bank is one of the major forces in the development of marketing and trading of new treasury instruments. The position forms an integral part of what is probably the largest 'special products' team in Europe. They have established a sophisticated global trading capability, and an aggressive and highly successful marketing strategy.

This position has primary responsibility for marketing financial futures to clients but would also involve exposure to F.F.A's, options and interest rate swaps. There is considerable scope to develop new marketing policies and the job would be 'worldwide', probably including c.20% overseas travel as far afield as the U.S.A. and Far East.

Candidates, ideally graduates with a business or numerate degree, should be aged around their mid 20's, with at least two years experience of marketing financial futures. They may currently be working in a bank or broker, but must demonstrate the ability to succeed in an institution of quality. This position provides an unusual mix of considerable freedom with the support of a large organisation; the environment is aggressive, professional and well-suited to high achievers.

Interested candidates should contact Kevin Byrne on 01-588 6644 (9.30a.m. - 7.00p.m. on Thursday September 12th) or send a detailed C.V. to the address below. All applications will be treated in strictest confidence - informal discussions are welcomed.

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Central Trustee Savings Bank Limited LEASING APPOINTMENTS

city

Central Trustee Savings Bank Limited, a part of the TSB Group, has recently experienced considerable growth in its leasing activities.

The bank now wishes to further develop its asset financing activities by making the following appointments:

LEASING EXECUTIVE Remuneration to £20,000 pa + bank benefits

Reporting to the Leasing Manager, responsibilities will include:

□ identification, evaluation and development of leasing and other asset financing opportunities arising both from the bank's customers and other sources.

□ structuring of leasing packages to meet customer requirements.

□ assessment of credit risk and the negotiation of new business transactions and associated documentation.

Applications are invited from individuals with at least 3 years' experience of the leasing market covering medium and 'big ticket' transactions. A professional qualification in banking, accounting or law is highly desirable.

The successful applicants for both positions will be able to work on their own initiative and enjoy working in a small team. In addition to the remuneration indicated, other benefits include a subsidised house purchase mortgage and non contributory pension.

LEASING ADMINISTRATOR Remuneration to £16,000 pa + bank benefits

An experienced Administrator is required to service the bank's expanding portfolio of leased assets. Reporting to the Departmental Head - Leasing, the responsibilities of the successful applicant will include:

□ administration of new and existing leasing facilities.

□ credit control and monitoring of asset insurance.

□ settlement of terminations including disposal of equipment.

□ agreement of rental adjustments.

□ control and development of lease recording systems.

Applications are invited from individuals with several years' experience of lease administration, related in particular to 'big ticket' transactions. A knowledge of computerised lease administration systems would be an advantage.

Please apply in confidence enclosing a full CV to: Mr G. A. Jones, Personnel and Training Manager, Central Trustee Savings Bank Ltd, PO Box 99, St Mary's Court, 100 Lower Thames Street, London EC3R 6AC to arrive no later than 30th September 1985.



Fund Management

£16,000 to £20,000 plus excellent benefits

Our client is a well-known City institution with a considerable presence in the financial services market. In line with their current expansion plans, they seek two additional fund managers to join the growing Investment Team which is responsible for funds totalling several billion pounds.

UK Equity Fund Manager

As a key member of a team of three, managing the UK equity portion of substantial life and general funds, the successful candidate will be fully involved in day-to-day fund management, as well as the overall formulation of investment strategy and maintain close liaison with in-house research facilities.

Fixed Interest Fund Manager

With joint responsibility for day-to-day management of UK fixed interest funds in excess of £1 bn, this individual will also be involved in investment strategy, making full use of in-house research expertise.

Ideally, candidates should be graduates aged 25-30 with a minimum of three years' investment experience, of which at least two years should have been gained in a relevant market as either an analyst or, ideally, a fund manager.

Please contact Anna Robson at the Investment Division, 23 Southampton Place, London WC1A 2BP, telephone 01-404 5751. All replies will be treated in strictest confidence.



Michael Page City

International Recruitment Consultants - London Brussels New York Sydney
A member of the Addison Page PLC group

Partnership Secretary Head of Finance & Administration City c.£30,000

Our client is a substantial firm of solicitors with an established City presence and a particular strength in commercial property.

The appointed candidate will take control of all financial and administration affairs of the business and will be expected to bring a fresh commercial perspective to the development of the practice. Initial priority will be within the finance function. As involvement with the management of the practice increases, this individual is expected to attain a status comparable to a partner.

Suitable candidates are likely to be qualified accountants, aged 35 to 45, who can demonstrate success as a senior level in a service environment, preferably within a partnership. This should include experience in the development of computerised accounting and management information systems. Experience of solicitor's accounts would be of advantage.

Candidates should send a detailed C.V., in confidence, to Anne Campbell (reference A80), Spicer and Pegler Associates, Executive Selection, Priory Court, 65 Crutched Friars, London EC3N 2NE.



Spicer and Pegler Associates
Management Services

Operations Director

IFS Limited is an expanding publishing and conference company which is a wholly-owned subsidiary of Springer-Verlag. The company has a turnover of £1,500,000 and a staff of about 30. It has ambitious plans for the future.

These future growth expectations require an operations director who will have an extremely sound financial and administrative background, preferably in publishing.

The operations director, early 30s, will be responsible to the managing director for all financial aspects of the company, including computerised accounting, as well as giving assistance on budgeting, forecasting and the preparation of business plans. In addition there will be day-to-day administrative matters to control.

The operations director can expect to receive an extremely attractive package, including a salary of £20,000, a company car and a pension.

Please write, enclosing your curriculum vitae, to:

Tom Brock, Managing Director
IFS LIMITED

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A leading international investment group requires an Assistant Marketing Support Co-ordinator to administer training efforts in London for Account Executives and Managers and to act as UK support for all advertising and marketing efforts generated in the U.S. including the marketing of core products. At least 3 years' relevant experience required, ideally gained in U.S. brokerage environment. To include knowledge of U.S. regulatory bodies' requirements. Aged 20-25. Salary circa \$26,000.

Please write in strictest confidence, enclosing curriculum vitae, to: Box A9116, Financial Times, 10 Cannon St, London EC4A 3DF

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We require executives preferably in their 40s with a background in industry, commerce or the professions, to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided.

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For a confidential interview Telephone Andrew Chilver on 01-483 8571

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Candidates should be either ACAs with experience of auditing financial institutions or AIBs with international banking knowledge. Those appointed have excellent opportunity to demonstrate their potential for advancement.

The appointments carry competitive salaries (negotiable according to the level of experience), together with substantial benefits, including mortgage subsidy, profit sharing and BUPA.

Please apply with full career and personal details to: Mrs Carolyn Bland, Senior Personnel Officer.



Samuel Montagu
& Co. Limited,

114 Old Broad Street,
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Tel: 01-588 6484.

Treasury

The merchant banking subsidiary of a major international commercial bank is creating a new position of Treasurer. The Treasurer will design and manage systems for identifying and anticipating cash flows, arrange funding for all securities positions, manage cash balances and borrowing, and hedge foreign exchange exposure. The individual will work closely with bond traders and senior management.

The likely candidate will be in their twenties with a university degree and two or three years in the Treasury department of an active investment or commercial bank. Salary fully commensurate with ability and qualifications.

For details of the above position please telephone on the number below or on 01-748 1489 (Evenings/Weekends):

Paul L. Boucher



ROCHESTER

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Telephone: 01-248 8346

MARINE LAWYER

We are a service company based in Central London providing technical expertise and management for associated overseas companies. Candidates for the position must be members of the Greek bar. They should have at least five years of directly relevant experience. The post involves frequent European travel. Candidates must be fluent in Greek and English and knowledge of other European languages would be an advantage. Preferred age is under 35 years. Salary and benefits package commensurate with the requirements of the post.

Please apply, with curriculum vitae, to: Box A9104, Financial Times
10 Cannon Street, London EC4A 3DF

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Already well established in the management of venture capital funds, MMG Patrick & Co Ltd now requires two or three professionals to develop its corporate finance team.

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- (a) an experienced assistant director/manager with a good range of corporate finance experience, capable of taking full responsibility for assignments with established clients;
- (b) one or two executives ideally with at least one year's experience in the corporate finance department of a merchant bank or the corporate planning department of an industrial company (ACA or MBA preferred).

who feel they can flourish in the responsive atmosphere of a small organisation.
Profit sharing will form part of an excellent remuneration package.

Please write, enclosing a full curriculum vitae, to:
Raymond Deane
Managing Director
MMG Patrick & Co Ltd
24 Upper Brook Street
LONDON
W1Y 1PD

Corporate Planner

Surrey

Our client is one of Britain's top international companies with a continuing record of profitability and growth.

The corporate planning team reports to the Chairman and works on a wide range of matters involving the company's expansion both overseas and in the United Kingdom.

Probably in your mid 20's, you will have at least an upper second degree and be numerate,

Salary to £17,000

articulate and self-assured. A European language would be an asset.

Equally important are your aspirations. You should be aiming for promotion into line management and have those personal qualities which will enable you to make your mark early, in a demanding environment.

To apply, please telephone or write to Beverly Kemp quoting Ref: BJK 9973.

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Telephone: 01-408 1670

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Merchant Navy Pensions Administration

In expanding its existing investment team, MNPA which is responsible for managing both the Merchant Navy Officers Pension Fund and the Merchant Navy Ratings Pension Fund with combined gross assets of around £1.5bn, is seeking to fill two important positions in its City office.

Portfolio Manager — US Equities

The successful candidate will probably have the following characteristics, abilities and experience:-

- Aged between 25-35
- A degree or accountancy/legal qualification
- At least 4 years real experience with another investment institution or stockbroker dealing in US equities
- A positive, developed attitude to investment philosophy and the likely requirements of a long-term investor such as a pension fund
- The ability to work with a small dedicated team which is prepared to adopt and act on its own strategy. This requires an ability to present and argue one's case and to establish sufficient confidence to act without day to day supervision.

Both these persons will become members of an integrated overseas investment team which also covers Japan and the Far East as well as the resource-oriented countries. Altogether the funds managed by this team total some £300m.

Competitive salaries will be paid.

Portfolio Manager — European Equities

The successful candidate will probably have the following characteristics, abilities and experience:-

- Aged between 25-35
- A degree or equivalent qualification
- Fluency in at least one European language
- Up to 4 years experience in analysing and dealing in European securities
- Sufficient self-confidence to be able to act outside the mainstream and justify such actions coherently.
- The ability to transfer knowledge obtained about one market to another to good effect.

Please apply with brief cv to:

Mr. J.M. Bird, Secretary
Merchant Navy Pensions Administration, Ebbisham House,
Church Street, Epsom, Surrey, KT17 4QF.

Corporate Finance Executive Oil and Offshore Specialist

The continued growth of Nordic Bank's investment banking activities has resulted in the need for an Executive to augment its expanding corporate finance and capital markets business. The successful candidate will be responsible for generating and carrying out merger and acquisition work involving quoted and private companies in the oil, shipping and offshore sectors, where the bank has a significant commercial banking presence and particular expertise.

Candidates, aged between 25 and 35, should be graduates or have a professional qualification and have at least 2 years' experience within the corporate finance division of a merchant bank, stockbroking firm or investment institution in London, Edinburgh or Glasgow. Strong personal qualities, particularly self-motivation and initiative, will be essential to assist the development of the Bank and its client relationships.

Nordic Bank is a member of the Den norske Creditbank group, Norway's largest banking concern, and attractive opportunities for career development will be available both at home and internationally to the successful applicant. The post carries a very competitive salary and benefits package (including a car, subsidised mortgage and relocation expenses where appropriate), reflecting the importance of this appointment to the Bank and the DnC group.

Written applications including full career details should be sent to:
TOM KOLLINSKY at NORDIC BANK PLC, 20 St Dunstan's Hill, London, EC3R 8HY

Nordic Bank



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A member of Grant Thornton International

Thornton Baker is one of the top accountancy firms in the UK, and has strong international connections through Grant Thornton International. Thornton Baker Associates, our management consultancy division, is rapidly expanding, with a client list that encompasses almost every business sector, including large clients, major Government work and a high proportion of growth orientated clients.

We are currently looking to recruit a number of dynamic Financial Management Consultants at various levels for our London office. Our continuing growth will lead to opportunities for rapid promotion and these positions will therefore appeal to suitably qualified people who have the ambition to succeed; preferably graduates with ACA, ACMA or ACCA.

Senior Consultant
Up to £25,000 + car + relocation

The person recruited will already have at least two years' experience in a consultancy role. As well as having a keen business sense and financial awareness, he or she will be a natural communicator who will motivate and train less experienced staff.

Consultant
Up to £22,000 + car

We wish to recruit new Consultants in their late twenties to early thirties who have a good operational record in industry or commerce. Previous experience in consultancy is not necessary as we will provide a thorough training programme.

Trainee Consultant
Up to £16,000

This position would suit a fully qualified accountant with upwards of one year's professional experience. The preferred age range is from mid to late twenties, and we offer an attractive financial package whilst training recruits towards a consultancy position.

All of these positions offer personal challenge, responsibility and professional variety. For more details, please write to Anita Towell, Thornton Baker Associates, Fairfax House, Fulwood Place, London WC1V 6DW, enclosing your curriculum vitae, and stating which vacancy interests you.



Nobody gets closer to clients
A member of The Management Consultants Association

YOUNG MANAGEMENT ACCOUNTANT

Food Industry
c £18,000 plus car

South of England

One of the UK's leading food groups, expanding rapidly both by organic growth and acquisition, is looking for a young, commercially minded Management Accountant. Working as part of a team who pride themselves on their professional approach to the financial control of a growth business, the post is primarily involved with the preparation of annual and long term profit plans/forecasts and the development of financial reports and systems for personal computer based applications. The position calls for a qualified Accountant, preferably with a degree, aged 27-32 with at least three years commercial experience, ideally in a retailing or other food environment. Candidates should be able to demonstrate well developed communications skills as well as relevant practical experience. In return the Company offers genuine career and promotion opportunities for the right candidate and in addition to the quoted salary the remuneration package includes a company car and other fringe benefits. Relocation assistance will be provided, if necessary. Male or female candidates should send full career details to: John Currie, quoting reference LISS 5078.

13/14 Hanover Street, London W1R 9HG.
Telephone: 01-493 5788.

Link International Search & Selection Ltd.

COMPANY SECRETARY/ ACCOUNTANT

SHEFFIELD/WAKEFIELD c£15,000

National Holidays Limited, which organises, markets and administers inclusive holidays in the UK, Europe and Canada, primarily using the coaching resources of National Bus Company, invites applications for the position of Company Secretary/Accountant.

The post will be based initially at Sheffield, but in early 1986 will transfer to the company's new premises in Wakefield.

An attractive salary, membership of a contributory pension scheme, concessionary travel and other large company benefits are offered.

Applications, giving full C.V. and details of current salary and appointment, to arrive no later than Friday 20 September 1985, should be addressed to:

Mr. G. K. McDonald, General Manager,
National Holidays Ltd., Saville Town,
Dewsbury, North Yorkshire, WF12 9AG.

**NATIONAL
HOLIDAYS**

Taxation Specialist

International Banking

Our client, a major international bank, is seeking an experienced tax specialist to be responsible for researching, developing and marketing tax related financial products throughout Europe in co-ordination with the Bank's marketing staff.

The successful candidate's experience should include leasing, zero coupon bonds, cross-border financing transactions, etc., on a European basis, gained in either a professional, consulting or commercial organisation. Although based in London some European

Substantial Package

travel will be involved.

The salary offered is negotiable, but will be highly competitive and fully reflects the importance of the position. In addition there is a significant individual incentive scheme together with the usual banking benefits.

Please reply in complete confidence, enclosing full career details, quoting reference 1038, to Tony Smith, Bull Thompson and Associates Limited, Alliance House, 63 St. Martin's Lane, London WC2N 4JX, who is advising on this appointment.

**Bull
Thompson**

CORPORATE AND RECRUITMENT CONSULTANTS

INTERNATIONAL PORTFOLIO MANAGEMENT

Salary Negotiable Plus Benefits Package

Our client is the investment banking arm of one of the world's largest international multi-service banks.

The continued expansion of global funds under management and the anticipated further growth of the bank's Investment Management Division have created the current need for a senior level Portfolio Manager.

While working closely with the head of the Division in formulating the group's investment policies and strategies, the successful candidate will have a high degree of direct responsibility for the day-to-day management of client portfolios. The appointed manager will also share in the division's marketing efforts, and in preparing and presenting reports.

Suitable applicants (aged 28-35) will be graduate professionals with at least 8 years' successful experience in managing international equity funds.

The position represents an excellent opportunity for personal and career development within an aggressive environment and offers a competitive salary and benefits package, which is negotiable for the right candidate.

In the first instance, please contact Felicity Hother on 01-588 6844 or write to her at the address below.

Anderson, Squires Ltd,
Bank Recruitment Specialists
127 Chancery Lane,
London EC2M 4JX

Anderson, Squires

SAUDI ARABIA

International Banking

HIGH REWARDS FOR

Senior Systems Professionals

Arthur D. Little, one of the world's largest and most diverse management consulting firms, is assisting a major international bank to recruit SYSTEMS MANAGERS who will provide the technical support and management expertise in the implementation of on-line data projects crucial to the Bank's Systems Master Plan.

We are seeking high-calibre professionals who have an extensive banking background or have acted in a consulting capacity to banking institutions, or perhaps specialised in EDP to the financial sector. People who will play a major role in the implementation and management of Master Plan projects and the development life cycle of systems by—

- ★ Identifying users' needs and priorities, and improvements in procedures and operations—
- ★ Evaluating software proposals and recommending contractor selection—

- ★ Undertaking feasibility studies and preparing project proposals—
 - ★ Controlling expenditure—
 - ★ Managing the system after implementation.
- You should have at least five years' relevant experience together with proven management capabilities, and appropriate qualifications will include either a degree in MIS, Economics (or Business-related field), Computer Science or Maths and, ideally, an MBA. You should be fluent in English and possess good communication skills. Experience in the Middle East and knowledge of Arabic are desirable. The proposed salaries, benefits, terms and conditions are, without doubt, of an outstanding level.
- Please write in the first instance, enclosing a full curriculum vitae, to: E. H. Lyne, Director of Personnel, Arthur D. Little Ltd, Berkeley Square House, Berkeley Square, London W1X 6EY.

Arthur D Little
MANAGEMENT CONSULTANTS

DIRECTOR—CONSUMER AFFAIRS

£31,000

The Director is responsible for promoting consumer interests in line with current legislation. Apart from general policy strategy and administration, a specific task is to manage the transition from a manual to a computerised consumer credit system. You will head the Consumer Affairs Division which has a staff of 125 people who work closely with appropriate organisations at national and local level on tasks such as: monitoring trade and credit practices; promoting the adoption of good practice codes; proposing legislative changes; considering applications for licences from businesses concerned with consumer credit; seeking formal undertakings from traders in breach of legal obligations; and publishing consumer literature. Candidates will be aged between 35-55 and have a distinguished record of achievement.

In a relevant area of business or government, exhibiting a regard for consumer affairs. Excellent management, interpersonal and analytical skills must be complemented by the leadership and integrity necessary in dealing with a subject of public importance. Appointment will be for 3 years initially with the possibility of extension to 5 years by mutual agreement. Relocation expenses (up to £5000) may be payable. Salary rises to £32,500 after one year and to £34,000 after 2 years in the post. For further details and an application form (to be returned by 8 October 1985) write to Civil Service Commission, Almonck Link, Reading, RG2 1LR, or telephone: Reading (0256) 468551 (answering service operates outside office hours). Please quote ref: G/6634.

OFFICE OF FAIR TRADING
The Civil Service is an equal opportunity employer

FINANCIAL FUTURES

As a result of a major expansion in our retail Financial Futures operations in London and overseas, we are looking for highly qualified salespersons.

Applicants should already have experience of Financial Futures both from the technical as well as the sales aspect. A knowledge of the cash markets, while not essential, would be of great advantage. For the right applicants the positions will offer a combination of salary and commission with the possibility of an equity participation. They should be highly motivated and relish the challenge implicit in joining a very dynamic group which has been expanding rapidly and successfully in recent years. The career and promotion prospects for the right applicants are outstanding.

Please write or telephone in the first instance, and in total confidence, to David Langton on 01-248 3242.



Charles Fulton Futures
Limited
34-40 Ludgate Hill, London EC4M 7JT

AVP EURONOTE SALES 25/30 £20-40,000 p.a.

Top U.S. bank seeks one with 2 years' sales experience in Middle East or Scandinavia marketing Eurobonds, possibly combined with CD, FRN or other asset sales. Minimum A-level mathematics or degree, with a possibility of eventual move to Far East or the States.

ECONOMIST 30s to max. 40 £20/25,000 p.a.
Graduate economist with in-depth knowledge of South America sought by well-known international bank. Portuguese or Spanish useful as is ability to establish meaningful rapport with marketing officers. Candidate will probably now be doing similar job or working on South American country risk.

LEGAL ADVISER mid/late 20s negotiable
Qualified solicitor or barrister with 2 years' post-qualification experience sought to negotiate and execute documentation for capital market transactions in U.S. merchant bank. Essential experience in handling documentation in City practice—French, German and Spanish useful but not essential.

HEAD OF RESEARCH ANALYSTS — HIGH TECHNOLOGY 20/30s negotiable from £20,000 p.a.
Active securities house seeks leader for team of research analysts with in-depth knowledge of the Japanese electronics industry. Banking or non-banking background suitable.

EUROBOND SETTLEMENTS SUPERVISOR—all aspects 20s/30s c. £20,000 p.a.

Please telephone or write to Elizabeth Hayford, 01-377 8600
LIC BANKING APPOINTMENTS
Devonshire House, 148 Bishopsgate, London EC2M 4JX

LJC BANKING

148 Bishopsgate, London EC2M 4JX: 01-377 8600

Options

£20,000-£80,000 plus

Our client is a reputable old established name in the Futures market. Having had a seat on LIFFE since its inception they now seek several key people to further develop their excellent options business.

Candidates should have a sound track record of selling stock, commodity or currency options to U.K. institutions. It is envisaged that these positions will appeal to self-motivated, ambitious individuals who now seek to play an important role in the future of an independent, progressive minded organization.

Please contact Simon Kennedy who will treat all enquiries in the strictest of confidence.

Kennedy Stephens
Commodity Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-255 7287
Associates in New York and Tokyo

Fund Manager UK Equities

MGM Assurance has acquired a reputation for first class investment performance of both conventional with-profit and unit linked funds. An additional Fund Manager is required to take over day-to-day responsibility for various UK equity funds, including two authorised unit trusts.

The position now offered represents an excellent opportunity for an able candidate, probably between 23 and 30, with suitable experience in this field.

In addition to a competitive salary, benefits include car, mortgage subsidy, pension scheme and private medical cover. Apply, enclosing detailed curriculum vitae, to:

Assistant General Manager (Investments),
MGM Assurance, 6-8 Clements Lane, London, EC4N 7AP.

MGM ASSURANCE
Marine and General Mutual Life Assurance Society

International Capital Markets

FRN Sales
A leading UK Merchant Bank seeks an experienced person with a minimum of two years' exposure to the FRN market.

\$ Straights Trader
Two years' experience of dealing in a financial market, preferably closely related to Eurobonds, is required by this client (a major British Merchant Bank). The person appointed will join a small but successful team.

Eurobond Sales
A prominent US Investment Bank wishes to appoint a young sales person with at least two years' experience in Eurobond sales or a related capital market area.

Bond Sales
Experience of DM and SFR denominated Bonds is essential for this general sales position in a large, dynamic US Bank.

In all cases, our clients are prepared to offer salaries in line with candidates' experience and abilities. Remuneration will not be a limiting factor.

For further details, please contact: Trish Collins on 01-481 3188.

CHARTERHOUSE
APPOINTMENTS
EUROPE HOUSE
WORLD TRADE CENTRE
LONDON EC3A 4AA



EUROBOND DEALER

CIBC Limited the wholly owned merchant banking subsidiary of Canadian Imperial Bank of Commerce is expanding its Eurobond desk which has created openings for qualified bond traders.

Successful applicants will be self starters in their twenties or thirties. They will have had a minimum of 2 years experience in eurobond dealing.

Remuneration package is negotiable and fully competitive with market levels. An excellent benefits package is available.

Replies in confidence to: J.B. Clark,
CIBC Limited, 55 Bishopsgate, London EC2.

NEDAL

the well known Dutch aluminium extruder, produces for the international market aluminium profiles for the Transport—Shipbuilding—Construction—Electronics—Heating/Cooling and Off-shore industries. Furthermore the production range includes lighting columns—flagpoles—boat mast sections—a complete road sign system—extrusion billets and aluminium paste.

For further expansion in the U.K. we are looking for a dynamic area manager with:

- Full knowledge of the U.K. extrusion market;
- Able to work independently from home address in the Greater London area;
- Proven state of commercial success in the U.K. aluminium market.

We offer a promising job in a dynamic team with good prospects and interesting salary.

If you meet with our standards please write to:

Nedal B.V., P.O. Box 2020, 3500 GA Utrecht, The Netherlands
Please attach your curriculum vitae
MEMBER OF THE HUNTER DOUGLAS GROUP

International Appointments

OPPORTUNITIES IN OIL

Our client, Oasis Oil Company of Libya is a leader among the world's largest oil producers and has major field operational areas at Gialo, Waha, Dahr and Es Sider. Oasis Oil Company means people, petroleum exploration and production, gas processing, computers, power stations, pipelines and terminals. In support of these operations the company has retained us to recruit the following specialist personnel to work in its Tripoli headquarters and field locations, all of which have regular air transportation links with most European capitals.

AUDITING SPECIALISTS Tripoli £21,500
To plan and conduct audit projects as well as manage and improve Auditing and Accounting Systems. Must possess B.A. degree or higher in Accounting, a good knowledge of computerised accounting procedures and have at least 10 years experience in the oil industry. Job Ref: OA 25

PROJECT ANALYST SPECIALISTS Tripoli £21,400
To perform economic evaluations of reservoir development, construction, gas and processing projects. You must have at least a Bachelor degree in Economics and have a minimum of six years experience in the petroleum industry. Job Ref: OA 26

Benefits
These are married status positions and salaries are paid free of Libyan taxes and are fully remissible to employees' home bank accounts. Other benefits provided are:
★ annual and half annual leave ★ furnished accommodation ★ lucrative Provident Fund Plan ★ sickness plan and BUPA medical cover ★ childrens education assistance ★ relocation assistance.

To apply please write for an obligatory application form giving brief details of your employment history, with a recent photograph, quoting job ref. and job title, addressed to:

The Recruitment Co-ordinator, Job Ref. ... UMM AL-JAWABY OIL SERVICE CO LTD.
33 Cavendish Square, London W1M 9HF



JAWABY OIL SERVICE

Sultanate of Oman

INVESTMENT MANAGER

FINANCIAL CONTROLLER

BATC is a British Government Organisation set up as a vehicle for Government-to-Government co-operation with countries throughout the Arabian Peninsula. Due to the rapid expansion of Oman's Insurance Company which deals with all types of insurance, they wish to fill the following new positions:

Investment Manager reporting to the General Manager, you will be responsible for long and short term investments in a range of fields within and outside the Sultanate of Oman.

Financial Controller also reporting to the General Manager, you will be responsible for the financial management and accounting procedures of the Company.

Appropriate qualifications and 10 years' relevant experience within a reputable insurance company or financial institution are prerequisites for both of these new positions.

We are offering a two-year renewable, single or married status contract. An attractive salary will be paid. BATC has one of the best benefits packages in the Middle East and includes free furnished accommodation, with allowances for electricity and water; a car or car allowance; 45 days leave for each 12 months of the assignment; free air fares including leave flights and free health care facilities.

For an application form and further details please write quoting ref: BA/145/FT, to: Stephen D. Jones, Recruitment Manager, BATC, 12 Grosvenor Gardens, London SW1W 0DZ or telephone 01-780 4511 ext 246.

British
Arabian Technical
Co-operation
Part of the British Technology Group

International Appointments

Vice Chairman

PRIVATE INTERNATIONAL GROUP EUROPE Approx. \$125,000

An interesting and outstandingly challenging role for a mature dynamic executive.

THE GROUP is the recognised world leader in its field, owing to a number of important breakthroughs, in terms of products and marketing innovation. We are active in all major industrial markets on every continent, have our own manufacturing facilities, are very research-oriented and are respected for professional and reliable support services.

THE APPOINTMENT: based in Europe, the Vice Chairman will have a varied and interesting brief, covering such activities as corporate development, marketing, manufacturing, financing and research, with particular emphasis towards maximisation of increased market penetration in existing markets and new market development, all with the objective of providing the worldwide group with much more rapid growth and profitability. Naturally the applicant will possess an exceptional

record in the industrial field and good general management experience. Additionally, we are looking for outstanding personality, judgement, diplomacy, energy and organisation; and the application of method and psychology in working internationally with a first-class team of executives within a dynamic group.

REMUNERATION is negotiable and is expected to be very substantial in line with the qualifications desired and the responsibilities to be assumed.

Applicants will be interviewed by the Group Chairman. In the first instance, replies, which will be treated in strictest confidence, should be sent together with CV and photograph to:

The Senior Partner, Rawlinson and Hunter, One Hanover Square, London W1A 4SR.

ARAWAK TRUST COMPANY (CAYMAN) LIMITED

(an offshore trust company based in the Cayman Islands whose principal shareholders are The Bank of Bermuda Limited (Kleinwort, Benson Limited and Montreal Trust Company) SEKS A

TRUST OFFICER FOR ITS SUBSIDIARY IN THE ISLE OF MAN

Applicants should have a minimum of 4 years' trust experience and have completed at least part of Stage 2 of the Institute of Bankers Trustee Diploma.

Please write, giving details of qualifications, experience etc. to: Mr. T. A. Barnham, General Manager, ARAWAK TRUST SERVICE COMPANY LIMITED, P.O. Box 34, Douglas, Isle of Man.

MANDARIN ORIENTAL HOTEL GROUP

General Manager Financial Control (Hotels)

The Company headquartered in Hong Kong, is the leading and most prestigious hotel owner and operator in the Pacific Basin. Currently managing six grand luxe hotels, with over 2,000 rooms, two of which are consistently acknowledged as being amongst the finest in the world; there are three further hotels developed and coming under management in 1986.

The Position based in Hong Kong, will be to head up the financial control of the Group's operations being the hotels located in Hong Kong, Macau, Manila, Jakarta, Bangkok and Vancouver; with those in Kuala Lumpur, Singapore and San Francisco in due course. The successful candidate will report to the Finance Director and will have full accountability for all financial matters right down to net operating level.

The Qualifications required are proven financial monitoring and control of hotel operations for a multi-unit region of an international group. Experience of financial and economic planning and analysis, treasury, budgeting and strong corrective controlship of operations down to net operating level are the key skills. A hands-on performer aged probably in the early 30's and with the energy and desire to travel is crucial.

Compensation will be extremely attractive to secure the proven professional that is required. High salary, bonus, housing and other allowances will be offered. Income tax in Hong Kong is approximately 18 per cent. There are excellent opportunities for advancement within the Group.

Please send comprehensive c.v. in full confidence to:

Box FT/940, St. James's House, 47 Red Lion Court, Fleet Street, LONDON EC4A 3EB.

Banking Opportunities Australia and New Zealand

Head of Oil and Gas Division Sydney

Major US bank seeks experienced oil and gas specialist to lead a team. A minimum of 10 years' experience is required for this Director or Associate Director management position.

Director-Treasury Melbourne

Major international bank requires Chief Dealer/Foreign Exchange Manager to assume responsibility for all foreign exchange and money market operations, in addition to asset/liability management.

Fund Manager Sydney

An important merchant bank seeks a Fund Manager with several years' practical experience in high tech investments to specialise in European, North American and Asian markets.

Head of Capital Markets Sydney

International merchant bank seeks senior innovative banker with a minimum of 8 years' city experience. He should be fully conversant with all aspects of international capital markets, particularly the provision of corporate advice and currency and interest rate swaps.

Treasury Accountant Sydney

Australian merchant bank requires two qualified accountants with a minimum of 5 years' experience either to control the accounting and reporting of daily positions for arbitrage, interest rate swaps, etc. or to manage the accounting for foreign exchange and hedging operations.

Foreign Exchange Dealer Wellington

Important financial institution wishes to appoint additional experienced foreign exchange dealers, capable of making an immediate contribution. Proven ability in spot trading is essential, and a knowledge of money markets, futures, and arbitrage would also be desirable.

The above positions are open to Australian and non-Australian residents. However we have a number of other positions to fill and for these, would particularly welcome applications from experienced bankers with Australian or New Zealand residency.

Please send your Curriculum Vitae in confidence to Roy Webb, Managing Director, Jonathan Wren International Ltd., 170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266.

London • Sydney • Hong Kong

Jonathan Wren International Ltd
Banking Consultants

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appears every

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Tel: 01-351 2151

Commercial Managers

AFRICA

c.£30K package

IN PURSUIT OF EXCELLENCE?

This well established multinational group and a world leader in its field is experiencing rapid international growth and has identified the need for French-speaking dynamic professionals to head up their activities in various African countries.

These new posts carry responsibility for achieving the growth and profitability targets in a highly competitive environment. To be considered for these unique opportunities your skills must include:

- Operational experience in a client-driven service industry
- Excellent upward/downward communication ability
- A proven track record in a marketing/biased management role
- Ambition, self-motivation and leadership
- Degree-level education

In return for a positive contribution your comprehensive package will include:

- Excellent negotiable salary
- Paid leave with return airfare
- Company car
- Furnished accommodation
- Free medical cover

If you are in pursuit of excellence — as our clients are — and meet the above criteria call:

Sylvia Baker now on 01-437 6900 who has been retained to advise on these posts

DRAKE EXECUTIVE

Chesham House, 136 Regent St., London W1R 5FA

We are a Swiss-based multinational group active in the petroleum sector as well as in banking and shipping owner of refineries. We are looking for a

CRUDE OIL AND/OR PRODUCT TRADER

conversant in crude oil supply and basic economies. The suitable candidate should have an experience of at least 5 years, as well as being up to date with the trade practices throughout the world markets. An attractive salary and benefits commensurate with qualifications and past performance are offered.

Please write in confidence under CIPHER G18-118482 PUBLICITAS CH 1211 GENEVE 3

ACCOUNTING AND FINANCIAL MANAGER

THE COMPANY: Accountants and business managers specialised in providing a full range of corporate services to Continental European subsidiaries or overseas corporations with offices in Brussels, Düsseldorf, Luxembourg and Paris.

THE APPOINTMENT: Responsible for management of a portfolio of clients including supervision of accounting staff and liaising with clients in major world centres.

THE CANDIDATE: — Chartered accountant — Age: 25-35 — Minimum of 5 years' experience — Proficiency in either German (preferably) or French — Experience in Continental Europe an advantage — Located in Brussels with frequent travel — Excellent remuneration package — Relocation expenses if necessary — Possibility of a partnership in 2 to 4 years.

Please send a comprehensive c.v. including salary history and recent photograph to:

J. E. OLIVER
WOOD, APPLETON, OLIVER & CO. LTD.
Avenue Louise, 207-208, B.P. 1080 Brussels, Belgium

Financial Controller

Luxembourg

BF 1.8 to BF 2.5 + car

Our client, a diversified worldwide manufacturer, serves a broad range of industries through three major business groups. The operation in Luxembourg is the headquarters for one of these groups and also encompasses manufacturing and distribution activities.

They now seek a Financial Controller to be responsible at European management level for financial and administrative matters. Main responsibilities include:

- Financial Reporting
- Internal Controls
- Forecasting & Budgeting
- Financial Analysis
- Inventories & Costing
- Cash Management & Taxation

Candidates must be able to demonstrate relevant experience in an international manufacturing group, having gained significant exposure to systems and data processing development. The successful candidate should be fluent in English and French, ideally with some knowledge of German and should possess strong interpersonal skills together with sound commercial awareness.

Interested applicants should contact Frank Van de Voorde on Brussels 010-322-648-1384 or send a comprehensive curriculum vitae to Michael Page International, rue Vissin XIII 55, Box 11, 1050 Brussels (Belgium).



Michael Page International

Recruitment Consultants

London Brussels New York Sydney

A member of the Addison Page PLC group

CHIEF SPOT DEALER AUSTRALIA

Our client is a major worldwide bank, with ambitious plans for the development of its treasury operations in Australia.

This position heads up a highly active trading team and carries a prime responsibility for Spot Deutschemark trading.

Candidates should have had experience in a major Far East money centre at some stage in their career; have a good track record in dealing; and strong Deutschemark experience would be a considerable advantage.

An excellent salary, benefits and relocation package is offered. This is viewed as a career position within the group's Australian subsidiary.

Interested candidates should telephone

Kevin Byrne on 01-588 6644

(from 8.30 to 7.00 on

Thursday 12th September)

or contact him at the address below.

Anderson, Squires Ltd
Bank Recruitment Specialists
127 Cheapside,
London EC2V 6BU

Anderson, Squires

Superintendent - Finance Project

c. £20,000 Zambia

ZAMBIA CONSOLIDATED COPPER MINES LIMITED is looking for a senior management and financial accountant who will function as a Consultant under the direction of the Director of Finance, through the office of the Deputy Director of Finance. His major responsibility will be the implementation of a defined and approved project which has been initiated to improve the financial and reporting procedures throughout the industry. The first phase of the project will involve:

- i). The revision of each operating division's systems.
- ii). The revision of the company's finance organisation.
- iii). The implementation and co-ordination of the agreed changes to the accounting systems with computer department staff.

The post will interest applicants who have had responsibility for an accounting department in a major organisation, have good communications skills and is used to dealing authoritatively with top divisional management, and is fully familiar with computerised accounting systems. The successful applicant will have a minimum of seven years' post qualification experience (ICMA/ACCA/CA), and an MBA will be an added advantage.

The contract will be of short duration, on a single or accompanied basis, with the salary paid free of Zambian tax.

For an application form, please reply attaching a comprehensive CV and quoting reference FT 997, to:

The General Manager,
Zambia Appointments Limited,
Zimco House,
16-28 Tabernacle Street,
LONDON, EC2A 4BN.



ZAMBIA APPOINTMENTS LIMITED

Turkey

Marketing, Operations, Data Processing

As a result of deregulation, our clients, leading Turkish and American banks, seek candidates who are fluent in Turkish and experienced in one of the above functions.

In return, they offer challenging opportunities in a dynamic and expanding economy which offers a high standard of living at low cost.

Applicants who would like to further their career in an emerging financial and business centre should send their Curriculum Vitae in confidence to Ian Macdonald, Jonathan Wren International Ltd, 170, Bishopsgate, London EC2M 4LX. Tel: 01-623 1266.

London • Sydney • Hong Kong

Jonathan Wren International Ltd
Banking Consultants

Accountancy Appointments

Financial Controller

High Tech

Basingstoke

£25,000
+ Car

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

This young, rapidly expanding Anglo-American company designs, manufactures and markets sophisticated communication systems.

Established in 1982, the company has already achieved an exceptional record of profitable growth, and is committed to continuing expansion. The company is dynamic and aggressive, whilst its management philosophy combines entrepreneurial drive with tight financial control.

The Financial Controller will be a key member of the UK management team. Reporting to the VP International Operations with a "heavy-dotted line" to the USVP Finance, you will provide accurate and meaningful financial information within tight deadlines to UK and US management. A prime task will be to implement corporate systems to

meet the company's future information needs.

Candidates should be qualified accountants with experience of the computer electronics industry. Knowledge of US reporting requirements is essential, whilst European experience would be an advantage. Strong accounting and treasury skills are required, but the essential qualities for success are initiative, drive, and the intellect to tackle a wide variety of tasks. Age indicator: 30-35 years.

Please reply in confidence, giving concise career salary and personal details, quoting Ref. ER805 to Peggotty Eia, Executive Selection, Arthur Young Management Consultants, Riddle House, 7 Riddle Buildings, Fetter Lane, London EC4A 3NH.

ACCOUNTANCY
APPOINTMENTSAPPEAR EVERY
THURSDAY

Rate £37.00

PER SINGLE COLUMN
CENTIMETRE PLUS VAT

European Financial Controller

St. Albans

c.£25,000

One of the major independent systems software houses in the USA is setting up companies to conduct direct marketing and support operations in Europe with headquarters in St Albans. There is already a substantial user base of the companies' products in Europe following the activities of the existing distributor.

The prime tasks will be to help set up the European accounting and management information systems and controls at the new head office, integrating with those in the parent company in the USA. This will include recruiting the necessary staff, establishing budgets, and subsequently monitoring and controlling the financial management of the European operation. The position also includes responsibility for UK office administration.

A graduate accountant, aged 30-35, is required, with wide experience in the financial management of a company operating throughout Europe. Also sought is innovative ability and a ready commitment to travel. Some knowledge of other European languages would also be a benefit. The salary is negotiable around £25,000 pa plus quality car and other appropriate benefits.

Please write, in confidence, with full details of your experience, quoting reference 3301/L to J. W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT
MARWICK

Director of Finance and Administration

N. of England

c.£24K + car

Our client is a very successful market leader in the textile industry and part of a large International organisation. Continued growth and a realignment of roles at board level have given rise to this requirement for a high performer to actively participate in the management of the UK operations.

It is envisaged that the incumbent will work closely with the Managing Director on business and profit planning as well as taking complete control of the financial, secretarial and administrative functions. In particular he/she will bring greater control to bear on financial disciplines at all levels and will oversee the continued implementation of computer systems throughout the organisation.

Suitable candidates will be qualified accountants who can demonstrate a proven track record of successful financial control of a substantial company, preferably in a related industry. It is likely that this will include responsibility for I.D. administration and personnel as well as finance. Additional skills in foreign exchange and investment would be useful, as would a knowledge of German.

Candidates able to fulfil this demanding role should send a curriculum vitae in confidence, to Anne Campbell (reference 82), Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Church Place, London EC3N 2NP.

Spicer and Pegler Associates
Management Services

Financial Manager

(Director Designate)

A young division of plc requires a recently qualified ICMA/ACCA Accountant aged 25-30 to complete a progressive management team aiming at USM flotation in early 1987.

The successful candidate will have proven commercial flair and leadership ability and will be expected to become involved with all aspects of the financial management and administration of the Company.

A competitive remuneration package will include a salary of £18,000 + bonus and BMW together with the prospect of valuable share option schemes in the medium term.

Please apply in writing to Confidential Reply Service, Ref. AEF 607, Austin Knight Advertising UK Limited, Knightway House, Band Lane, Egham, Surrey TW20 3NL.

Applications are forwarded to the Client concerned, therefore Companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin
Knight
Advertising

Desoutter

Financial Controller Financial Director Designate

c.£30k

N. London

Desoutter Brothers is a world leading manufacturer of electric and pneumatic power tools with an enviable reputation for producing high quality products. 1984 profits were £4.5m on a sales revenue of £32m. 70% of production is exported.

Reporting to the Joint Managing Director (Finance), you would have responsibility for all the group financial accounting and company secretarial functions with particular emphasis on the financial management of subsidiary companies, budgetary forecasts and management reporting using computerised systems. Subject to satisfactory performance you would be appointed as Financial Director of the subsidiary companies within two years. You should be a Chartered Accountant or Qualified Cost and Management Accountant, probably aged between 30 to 40 and ideally with an engineering background. Ability to speak French, German or Italian would be useful.

The benefits package includes car, medical insurance and relocation expenses, where appropriate.

Please write - in confidence - outlining your experience and present salary package to Phil Bainbridge ref. B.35003.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

MANAGEMENT SELECTION

Financial Controller

To join a small management team revitalising a Traditional Food Company.

Lincolnshire

c.£20,000+ Car

You will be a key member of a new management team that has been carefully selected by the new Chief Executive to introduce professional management practice into a company with the potential for significant profitable development.

The post should be attractive to qualified accountants in their late 20's or 30's looking for company wide responsibility and the incentive of real prospects of a future board appointment.

The role encompasses all elements of the Finance function, a range of related administrative responsibilities, and the management of the company's systems development in both mainframe and micro terms. There are significant opportunities for the introduction of streamlined systems in the basic accounting function and personnel involvement in the strategic decision making process of the company which will involve working closely with the M.D. on major projects.

Experience in either industry or the profession would be considered relevant. There is a preference for someone who is both a graduate and a Chartered Accountant, though serious consideration will be given to ACMA's and ACCA's.

The post carries a full range of competitive benefits including relocation assistance. Applicants of either sex should apply in confidence to Michael Johnson on (0962) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, quoting ref. 626.

Johnson Wilson & Partners
Management Recruitment Consultants

FINANCE MANAGER

Due to an impressive record of growth and development, our client, a major British consumer electronics company, requires a Group Finance Manager. Working closely with the Finance Director responsibilities will include international treasury, group forecasts, budgets and consolidations. Candidates for this highly visible role will be qualified accountants aged 26-33 with excellent communication skills, and the ability to develop in a rapidly expanding environment. Ref: SH.

ESSEX

£20,000+ Car

GROWTH

A rare career opportunity within a diverse, rapidly expanding UK group. Initially working at the centre, the Management Accountant will be responsible for assessing business performance, budget preparation and the review, consolidation and reporting of monthly management accounts. This key appointment offers considerable commercial involvement and a direct route to a number one finance role with an operating company. Would suit an exceptional accountant aged under 30. Ref: JC.

C. LONDON

£19,000+ Car

CAREER ROUTE

A challenging Head Office role within this 'blue chip' industrial group. Responsible for the analysis of business results, the Deputy Finance Manager will be involved in investigating trends and variances, budget preparation, forecasts, investment appraisal and various cost saving exercises. This high profile role offers exposure to the board and prospects to line management. An excellent career opportunity for a young, ambitious accountant. Ref: JC.

WEST OF LONDON

£17,000+ Car

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

ROBERT HALF

FINANCIAL RECRUITMENT SPECIALISTS
LONDON - BIRMINGHAM - NEW YORK & 52 OTHER CITIES WORLDWIDE

COMAG

The UK's leading independent magazine distributor requires a qualified, ambitious

CHIEF ACCOUNTANT

The Company has experienced dramatic business growth and needs to review methods and systems in a fast-moving, latest-technology environment. This is a key appointment to devise systems, harness growth and monitor company performance.

Candidates are ideally aged 25-35, experienced across a range of businesses. Salary offered is £15,000 and there are contributory pension scheme and other attractive benefits. Location West Drayton, near Heathrow.

Applications, including curriculum vitae, to:

Roger Medley, FCCA, Finance Director
COMAG
Twistock Road, West Drayton, Middlesex UB7 7QE

MANAGEMENT CONSULTANT

Consultant CA with controllership and operational experience in multi-national contracting and trading companies, both UK and US, seeks additional assignments. Specialist in demanding situations requiring urgent appraisal and implementing/upgrade financial, management and computerised reporting systems. Assistance given with group structures and procedures, operational reporting, investigations, contract tendering, forecasting, cash and currency management and bonding.

Write Box AB111, Financial Times, 10 Cannon Street, London EC4A 4BT
or Telephone 01-581 4198

Commercial Accounts Manager

Central London

c.£15,000

ADER

An impressive record as brand leader in high quality food products related nationally and ambitious plans for further growth has led to our Client's need to appoint a pragmatic Accounts Manager with commercial acumen and the desire to take an interest in the development of the business.

You will provide the Company's young dynamic management team with the essential financial and management support needed to achieve business objectives. Self-motivated qualified accountants are certain to find this key position rewarding. You are likely to have 2-3 years post-qualification experience, be conversant with the practical application of computer techniques and have controlled staff. Those looking for a challenge will find this a unique opportunity to inject their professional and analytical skills into: all the commercial aspects of this medium sized Company's operations.

An attractive salary and pension scheme is offered with the possibility of further advancement in a broader management role. This position, reporting to the Financial Director, will enable you to consolidate and build on your experience.

Please forward a comprehensive CV to Ursula Ader at Ader & Associates Ltd, Executive Search & Selection Consultants, DSB House, 30 High Street, Beckenham, BR3 1AX. Alternatively telephone 01-658 5874 for a Personal History Form.

FINANCE DIRECTOR

Horsham, W Sussex

DISCTEC Ltd is a new company formed, with substantial institutional backing, to exploit the compact disc market. The Managing Director has already grown a successful company in the record manufacturing industry. The Board now wishes to appoint a Finance Director for DISCTEC.

The successful candidate will be a qualified accountant (probably chartered) with experience of high-tech manufacturing industry coupled with exposure to the City. He or she will have a marked degree of integrity and sound commercial judgement backed by the imaginative flair needed in a fast-growing new company. Age probably late-30s.

Salary unlikely to be a limiting factor. Car and all running costs. Pension. Share option. Help with relocation if necessary.

For further details and an application form please telephone Lyn Staines, Recruitment Secretary, on Windsor (07535) 56633 (24 hrs) quoting Ref. DM562.

3i Investors in Industry Consultants Limited
Recruitment Division

Accountancy Appointments

**SAINSBURY'S
HOMEBASE**
HOUSE AND GARDEN CENTRES

WE'LL HELP YOU MAKE A GOOD JOB OF IT

Financial Analyst

Wallington, Surrey c.£17,500 plus car, plus benefits

Homebase Ltd, Sainsbury's D.I.Y. subsidiary, is already, after only four years of trading, a significant force in this expanding market with 25 stores currently in operation.

A vacancy has arisen in the key position of Financial Analyst, which reports directly to the Financial Controller. The position will require frequent liaison with senior management and will include the following principal responsibilities:- profit and cash flow forecasting; preparation of the annual financial plan; product profitability exercises; competitor analysis; preliminary investment appraisals and special projects. It offers the opportunity to make a considerable

contribution to the general financial management of the Company and influence many important Board decisions.

Ideal candidates will be graduate chartered accountants, with at least one year's direct experience in financial analysis, probably in the age range 27-32. Along with a high degree of technical awareness, they should be able to demonstrate strong communication skills and a capacity for working under pressure.

Please apply to Anthony Jones, Career Plan Ltd, Chichester House, Chichester Rents, Chancery Lane, WC2A 1EG. Tel: 01-242 5775.

**Career
plan**
LIMITED

Personnel Consultants

A Senior Management Role in Educational Finance

To £18,624 (Grade under review) Hertfordshire

The Hatfield Polytechnic is one of the country's leading higher education establishments and has a high reputation for academic achievement over a wide variety of disciplines in the field of commerce, industry and the professions.

This key appointment of Chief Finance Officer will carry responsibility, as a member of the Polytechnic's senior management team, for the control of all income and expenditure accounting activities, currently amounting to some £20 million annually, as well as a wide range of top level finance work.

It's a highly responsible role calling for a fully qualified Accountant, man or woman, with a broad based finance background and while experience of Local Government would be preferable, it is not essential. What is important, however, is a high level of cost consciousness, administrative ability and well developed interpersonal skills.

Assistance will be given with removal expenses in appropriate cases.

Write or telephone for an application form and further details to: The Staffing Officer, The Hatfield Polytechnic, PO Box 109, Hatfield, Herts AL10 9AB. Telephone: Hatfield (07072) 79802. Please quote Ref F198.

Completed application forms to be returned by 30th September 1985.

*The Hatfield
Polytechnic*

ACCOUNTANCY
APPOINTMENTS
APPEAR
EVERY THURSDAY

Financial controller

London, c£20,000 + car



For a small but fast growing public company in the service sector with operations currently concentrated in London. Continued growth has created a need for a financial controller.

Managing a small staff, you will be responsible for co-ordinating all group financial and management reporting, providing a financial analysis service to operational management and implementing the development of computerised systems of financial control.

A qualified accountant aged around 30 you should have previous experience in a service industry preferably in an independent company. We are looking for a versatile and flexible team member with enthusiasm and tenacity.

Résumés including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. S010.

**Coopers
& Lybrand
associates**

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Financial Management - Retail -

West Yorks

c.£14-22,000 + Car

★ Financial Appraisal ★ Systems Development ★ Business Planning ★ Management Accounting

Our client is a household-name retail group with a turnover approaching £2bn.

They are currently undergoing a major re-organisation within the finance and data processing function which is designed to improve the quality of the financial control, management reporting and financial awareness within the business. The immediate requirements are for 4 high-calibre accountants to make a significant impact in the areas outlined above, but these are essentially career appointments with outstanding opportunities for progression into both financial and general management positions.

Candidates, aged 25-32, should be qualified accountants, of graduate intellect, who can demonstrate above average communicative skills, coupled with a high degree of energy, commitment and innovative ability.

Relocation facilities available where appropriate. Interested applicants should write to Alan Dickinson or Stephen Broadhurst, quoting ref. 7021, at Michael Page Partnership, 13/14 Park Place, Leeds LS1 2SJ. Tel: 0532 450212.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Page PLC group

Financial Controller/ Director Designate

Exciting Grassroots
Opportunity

Mid Kent (M20)

To £30,000 + Car
+ Profit Share

Over the past decade Japanese cars have established a well earned reputation for quality, reliability and value for money. Now the last of the major Japanese car manufacturers is about to enter the U.K. market.

They have appointed our client, a successful and long established distributor of high performance German sports cars, to handle their business in the U.K. Initially they plan to sell a Sports Coupé, already a great success in the U.S.A., and this will be followed by a range of cars headed by a 4 wheel drive vehicle.

Our client has great confidence in the success of this venture and is putting its full expertise and resources behind it. They have acquired fully equipped custom built premises and are actively setting up a nationwide dealer network.

They are now intent on building up their top management team in readiness for the launch and wish to appoint a top calibre Financial Controller to head up the financial function.

Candidates must be Qualified Accountants, aged 35-45, with several years broad based experience in commerce. Motor trade experience is not a requirement. This start up position demands a high level of enterprise and initiative and will appeal to those who would delight in setting up their own systems and selecting their own staff.

An attractive remuneration package is offered and a Board appointment is envisaged in the short-term.

Please send concise details, including current salary and daytime telephone number, quoting reference 12012, to W.S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Young Accountant

c. 25-30

ACA/ACMA

c. £15,000+car

A small entrepreneurial London based international creative services group seeks a very bright young qualified accountant to work for the Administrative Director. This new appointment as Chief Accountant is due to planned growth.

The first assignment will be to learn how the business works, and improve the management information system. 60% of business is in the USA and Europe, as world leaders in their field.

The ideal candidate must have the ability to grasp the real commercial essentials of costings and cash flow

very quickly. He or she must be able to understand young dynamic creative people—yet retain absolute professional standards. Those with suitable experience and a degree will have an advantage.

Terms are negotiable around £15,000 plus car. Promotion could be fast, but prospects depend upon hard work and the future profitable growth of the Company.

Candidates should apply in confidence to R.N. Orr, quoting client reference M2351 or telephone for an application form.

**Roland Orr
& Partners**
Management Consultants

35 Piccadilly, London W1V 9PB Telephone 01-734 7282

Finance Director Designate

Manchester c.£30,000 plus Car

This well established international Group with subsidiaries in engineering manufacture and contracting in the U.K. and overseas, requires a Chartered Accountant initially as Finance Director Designate, to succeed the present Finance Director on his retirement in mid 1986. The appointment is based at Group head office in the Manchester area, with travel in the U.K. and overseas as necessary.

There is full responsibility for managing the finance and accounting functions. Company Secretarial duties and pensions fund administration must also be covered. Reporting is to the Managing Director and there is full involvement in the development of business policy as a member of the Group Board.

The appointment requires a self starting, strong minded, flexible accountant with strong profit

orientation, a well developed commercial flair and a track record of success at board level in a similar company.

The maturity to gain credibility throughout the business in dealing with subsidiary boards, and to contribute strongly to board business and the profitable development of the Group is vital.

The age indicator is around forty but there are no fixed age limits. There is a requirement to live in the Manchester area.

Please write in confidence, giving concise career and personal details, to Dr. A. Brearley, as adviser to the company.

Arthur Young Management Consultants,
Commercial Union House, Albert Square,
Manchester M2 6LP.



Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

FINANCIAL CONTROLLER

TOP SALARY

to run small Mayfair professional firm,
possibly part-time

CALL LISA GLICK, 01-629 4965

CIVIL ENGINEERING COMPANY

Experienced accountant required by North London-based civil engineering company. The successful applicant will be expected to take control of a busy accounts department with over 20 employees and will report to the finance director.

Good working conditions based in new offices. Salary negotiable but expected to be in the region of £15,000 p.a.

Please send brief details of qualifications and career to date to:

NEWTON & GARNER,

Apex House, Grand Arcade, London, N12 0EJ.

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examination. We propose to publish the list in our issue of Thursday, September 26, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per sq. cm. Newly Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this opportunity.

For further details please telephone:

Louise Hunter

on 01-248 4844

Financial Times
EUROPE'S BUSINESS NEWSPAPER

Finance Director

A member of the Allied-Lyons Group, we are a major importer of light and sparkling wines from Europe. One of our trading divisions, ITALVINI, is the largest U.K. importer of Italian bottled wines and we have recently started to develop our own brands led by Piemontello.

We would like to invite applications for the position of Finance Director. As well as being fully qualified, candidates must have the flair to contribute to the Company's overall business strategy and play their full part in a small but dynamic management team.

Ideally candidates should be aged around 30 and be able to demonstrate an outstanding level of personal drive and commitment to running a lean, profitable business. Whilst experience of the wine trade would be useful it is not essential — knowledge of Italian would be helpful.

An excellent, highly competitive package including an executive car will be offered to attract the right person.

Please apply by writing with details of your qualifications, experience and current salary to:

Mr. W. L. Page Managing Director
EUROPEAN VINTNERS LIMITED
20 Perivale Industrial Park
Perivale Middlesex UB6 7RJ



Accountancy Appointments

Group financial controller

London, c£21,000 + car



This is an opportunity to join the small and active management team of an expanding and diverse private group with interests in the motor trade, computing and property. Yours will be a key role based at the London head office but working at subsidiaries as necessary. You will concentrate on:-

- monitoring of group performance
- statutory reporting
- planning and forecasting.

Aged about 28, you should be an ambitious qualified accountant from the profession or industry. Experience of the operations of motor dealerships would be an advantage. Above all we are looking for a team member with commitment, energy and interpersonal skills who is seeking challenge and involvement.

Resumes including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. S014.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House, 25 Farringdon Street
London EC4A 4AO

Company Director

City

£ negotiable

Our client is a soundly backed, City based provider of development capital, with a range of investments in substantial unlisted companies in the UK and overseas.

Your prime role will be to represent the company as a non-executive director in a number of diversified companies in which it has an interest. You will also play a part in shaping its investment strategy and in appraising new projects.

You will probably be a qualified accountant aged 40-55. You will already have operated successfully for some years at board level, and probably within a diversified group of companies. Salary will be fully commensurate with seniority, and benefits are unusually attractive.

Please write to EH Simpson, quoting ref. ST427, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

Chetwynd Streets

Management Selection Limited

CHALLENGING OPPORTUNITY IN THE CITY

An expanding, forward thinking Lloyds Underwriting Agency is seeking an intelligent and innovative qualified accountant to fill the role of

Company Secretary/ Group Accountant/ Financial Planner

The ideal candidate will relish the responsibilities of the position and will expect to be judged by his/her achievements.

The remuneration package, including salary, car, BUPA and non-contributory pension scheme will reflect the status of the position.

If you feel you have the dynamism and flair to make an outstanding contribution to the continuing success of this Group, please write to:

Charles Hunter
R. M. PATEMAN UNDERWRITING AGENCIES LIMITED
Fountain House
130 Fenchurch Street, London EC3M 5DU.

GROUP FINANCIAL CONTROLLER Retail Franchising

CENTRAL LONDON
to £25,000 + car

The group is at the forefront of retail franchising, probably the fastest growing and certainly the most exciting, commercial activity in the UK today. Currently with three separate themes, new ideas are evaluated continuously and are aggressively marketed when considered viable. The group employs 350 people, has over 150 outlets throughout the country and a turnover in the region of £12m.

The job is tough. It is critical to maximising effective financial control over the group. The need is for full technical accounting and organisational support to the Group Financial Director and to all levels of management. Priorities are to organise a team of around twenty people into cohesive, inter-active functional accounting units; to examine critically the business assumptions for the ensuing year and ensure agreed targets are met; and to provide prompt, responsive operating information for decision taking purposes. Success will result in a board appointment.

Candidates must be qualified accountants with a successful track record at the centre of a fast-moving, preferably retail distribution, environment. Evidence is required of active involvement in preparation of financial and management accounts, implementation of computer systems and effective management of people. Commitment, ability to communicate at all levels and a flexible approach combined with strong organisational skills are also essential requirements. Preferred age: 30s. To apply, please write with personal, career and salary information to:

Ian Tomlinson, Executive Selection Division,
Hacker Young Management Consultants,
St. Alphage House, 2 Fore Street,
London EC2Y 5DH.

Hacker Young
MANAGEMENT CONSULTANTS

TAX/TRUST PARTNER DESIGNATE CITY OF LONDON

FCA's 30-45

to £40,000

Our client is a "top forty" long established, medium sized firm of Chartered Accountants in the City of London seeking to recruit a Tax/Trust Partner Designate.

Candidates (male or female) should be able to demonstrate in depth knowledge of trust work and in particular personal financial planning for wealthy individuals, families and tax planning related to landed estates, proprietor owned businesses and close companies.

The appointee currently at manager/salaried partner level should achieve partnership in one to two and a half years.

For more information please contact George Ommrod BA (Oxon) on 01-836 9501 or write with your cv to Douglas Llabias Associates Limited at our London address, quoting reference No. 5596.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Finsbury Street
Manchester M2 2EX. Tel: 061-236 1553

DOUGLAS LLABIAS
Douglas Llabias Associates Limited
Accountancy & Management
Recruitment Consultants



Accountant

Major Lloyd's Underwriting Agent
City To £20,000 Plus Car

A development opportunity for an ambitious young accountant to join this leading Lloyd's Managing Agency and become part of their Junior Management Team.

Reporting to a Partner you will be responsible for the accounting function for eleven syndicates including preparation of syndicate accounts, taxation and you will be involved in the investment of syndicate funds. Systems are in the process of being further computerised and you will assist in this implementation.

You will be able to demonstrate a first class track record, having qualified as a Chartered Accountant and have around two years post qualification experience gained preferably within a Lloyd's Panel Auditor or alternatively an insurance or related environment.

This position offers excellent prospects for progression to a more senior role.

For further details contact
Richard Green quoting
ref: 3092.

db dunlop & badenoch
Recruitment Consultants

60 Mark Lane, London EC3R 7NE.
Tel: 01-265 0377

CHIEF ACCOUNTANT Up to £18,000 + Car

An experienced qualified Accountant is required to head the Accounts Function of a major subsidiary engaged in Container Shipping. Reporting to the Managing Director the Chief Accountant will head a small team providing a complete financial service to the Board. Candidates must be able to demonstrate the capacity to offer authoritative advice on commercial matters, as well as being a good communicator and sound negotiator. Strong inter-personal skills and excellent man management abilities are considered essential qualities. This dynamic role offers exceptional prospects for personal development and career advancement.

ACCOUNTS MANAGER Up to £16,000

Strong commercial potential is the major requirement in the recruitment of a Qualified Accountant who will be responsible for supporting the management of this important container shipping operation. The work is challenging and varied providing excellent career development prospects. Candidates will be asked to show broad experience and high technical expertise. Some travel necessary. Please write enclosing detailed c.v. to:

The Manager, Organisation and
Management Development
Ellerman Lines plc
12/20 Camomile Street, London EC3A 7EX

Ellerman

A Midlands-based Public
Company with manufacturing
subsidiaries seeks to appoint a
progressive and forward-looking

FINANCIAL CONTROLLER/ COMPANY SECRETARY

With experience of working at
Company Secretary or similar
level within a manufacturing/
engineering environment.

Applicants will be qualified to
ACA level and should be capable
of managing all accountancy and
secretarial functions associated
with a public company.

Please reply with full CV to
Box A9113, Financial Times
10 Cannon Street
London EC4A 4BY

Financial Control & Planning Manager

Leading Group of Companies, York.

The position is in the parent company of a well established financially strong, unquoted Group with a turnover in excess of £140m and some 4,000 employees at over 30 permanent locations in the UK and overseas. Our subsidiaries include one of the country's leading construction companies, our manufacturing companies include Western Europe's foremost manufacturer of instant buildings, with others in Engineering and Property Development.

Due to regrouping of responsibilities within the well established financial function at its Head Office the Company is seeking a Financial Control and Planning Manager to head a small team providing Group financial control and planning services. Reporting to the Group Financial Controller the appointment demands considerable discretion and a close liaison with operating company managements and Head Office staff.

The main responsibilities cover budgets, forecasts, consolidation of monthly results, analysis of operating performance, capital expenditure evaluation, cash flow control, and provision of a financial reporting service to Group and Subsidiary Companies' Directors and senior management. In addition a full management accounting service is provided to some smaller Group companies.

Applications are invited from qualified accountants, probably aged 28-35 and with a Degree, who are highly numerate, have strong analytical, staff management and communication skills and proven relevant experience, including exposure to tight reporting deadlines.

Salary and other benefits are as you would expect from a large company, commensurate with the responsibility, experience, and ability required. A car or car allowance and relocation expenses will be provided.

Please apply in own handwriting and enclose concise career and personal details, including current remuneration package, and marking envelope "Most Confidential" to:
Dennis R. Reason, Group Financial Controller, Shepherd Building Group Ltd, Blue Bridge Lane, York YO1 4AB.



Shepherd

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Rate: £37.00 per single column centimetre

Deputy Group Financial Controller

Central London c£23K

Our client is a £100m turnover household name with its prominent service related activities well established throughout London and the Home Counties.

After recent restructuring, a young ambitious financial executive is sought to manage a large department comprising financial accounting, accounts payable, systems development, and strategic planning. Key aspects of this new role will be the provision of effective management information by monitoring the performance of several important divisions and advising divisional managers on all financial matters. Career prospects are excellent.

Candidates, aged 27-34, must be qualified accountants with strong commercial experience and the interpersonal skills to deal successfully with all levels of management. The comprehensive remuneration package includes significant benefits and relocation expenses will be paid where necessary.

Please reply, in complete confidence, enclosing full career details to Mike Hann, Director,
Bull Thompson & Associates Limited,
Alliance House, 63 St. Martin's Lane, London WC2N 4JX
(Tel. 01-240 3561), quoting Reference 1039.

**Bull
Thompson**

CORPORATE AND RECRUITMENT CONSULTANTS

Young Chartered Accountant

Move into the dynamic world of
Eurobond trading
Package c.£25,000pa + car

Morgan Guaranty Ltd is one of Europe's leading Eurobond houses and a subsidiary of one of the world's premier banks. We credit our success in capital transactions to the progressive approach and dedication of our team of analysts, corporate financiers and advisers.

We are looking for a capable, young qualified Accountant to work on complex business deals such as interest-rate swaps, by evaluating and advising on transactions. Your ability to measure risks accurately and supply answers quickly is of paramount importance. Full chartered accountancy status is essential, backed by good post-qualification experience in a commercial environment.

You will be in daily contact with dealer teams worldwide and will, in addition to providing immediate advice,

develop procedures establishing new accounting policies and effective documentation for monthly reports using computerised equipment.

We see this role as an ideal opportunity for an ambitious and talented Accountant with partnership potential, but keen to develop a career in the Capital Markets.

In addition to a basic salary of around £20,000 pa, we offer a generous benefits package including an annual profit sharing bonus, a mortgage subsidy, a non-contributory pension scheme, medical and life insurance plans plus a company car.

Please telephone for a confidential discussion or write enclosing a full CV to:
Beverley Rider, Personnel Group,
Morgan Guaranty Ltd, P.O. Box 124,
30 Throgmorton Street, London EC2N 2NT.
Tel: 01-600 7545 extn. 3098.

Morgan Guaranty Ltd

Accountancy Appointments

Group Controller

£30,000 plus; car; share options
Berks/Bucks

A chartered accountant, preferably aged 35-40, is required for this senior post in the corporate finance department of a high profile public company. The company - current turnover exceeding £100m - develops, manufactures and markets a broad range of specialist high technology products. It is growing rapidly and profitably in all its UK divisions and overseas operations.

The post reports to the Director of Finance. It carries responsibility for the co-ordination of the financial planning process and of the reporting of all management and financial information; the financial analysis and evaluation of results and forecasts; and the provision to management of the information and assessments required for the effective control and development of their operations.

It requires an extensive financial and management accounting background at senior level in a large dynamic group with tight financial disciplines; some experience at the corporate centre; strong analytical skills; and the proven ability to manage a substantial financial department.

Please write in strict confidence with full personal and career details, quoting Ref. 255/FT, to:

Philip Smith

Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, September 26, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments". The advertising rate will be £37.00 per single column candidate. Special conditions are available by arrangement at premium rates of £44.00 per line. Newly Qualified Accountants, especially Chartered, are never easy to recruit - don't miss this opportunity.

For further details
please telephone:

Louise Hunter
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Financial Times
EUROPE'S BUSINESS NEWSPAPER

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Candidates should be qualified accountants aged between 26 and 35 with at least one year's post qualification experience, including a working knowledge of computerised accounts, and ideally have experience of investment accounting. Personal attributes must include highly developed interpersonal skills, a strong management style, initiative, enthusiasm and an analytical and innovative approach. In return opportunities exist for the right person to develop within the company.

Please reply in confidence giving concise career, personal and salary details to: Michelle Wilkin, Executive Selection, and quoting Ref. ER809. Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NH.

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday September 12 1985

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CISI set to break even this year

By Paul Betts in Paris
CISI, the second largest European computing services company, expects to break even this year after reporting a loss of FF191m (\$21.3m) last year.

CISI is controlled by the CEA, France's atomic energy commission. The improvement in the financial position of the computing services company reflects a series of major restructuring and reorganisation measures during the past 12 months. These have included the shedding of a subsidiary in the U.S., the entry of a major new shareholder in one of CISI's principal subsidiaries and a FF110m capital increase from the CEA.

Moreover, the CEA has now taken over control and financial responsibility for CISI's troubled Wharton subsidiary. Two years ago CISI acquired the Philadelphia-based Wharton Economic group, which has proved a costly investment. Wharton alone lost FF54m last year. But the subsidiary's losses this year will be carried entirely by the CEA group which has now taken 70 per cent of the CISI-Wharton concern.

M. Henri Cantegrell, the new chairman of CISI, explained yesterday that the future of Wharton involved a diversification of the company's capital to other outside partners.

The chairman said that CISI sales this year were expected to total FF1.5bn, or about the same as in 1984. CISI has sold a computer time-sharing subsidiary called PCS in Los Angeles which was losing money, and has shed its LKS subsidiary in West Germany to the nationalised French Bull computer concern and a group of local users of LKS services.

The French company has also sold to major industrial groups stakes in its Cigrafin computer-aided design and computer-aided manufacturing (Cad/Cam) systems subsidiary.

CISI's losses last year of FF191m included losses of FF54m by Wharton, losses of FF42m by CISI's other foreign operations, a deficit of FF62m by French subsidiaries and extraordinary losses of FF32m. But the various restructuring measures had enabled the French computing services company to show a small profit in the first half of this year M. Cantegrell said.

West Coast insurer drafts fresh rescue proposal for Epic

By Paul Taylor in New York

TICOR Mortgage Insurance, the West Coast U.S. insurance group which faces a substantial loss of \$160m in connection with the problems of the Equity Programs Investment Corporation (Epic), has drafted a rescue plan for the troubled mortgage banking group whose difficulties have sent shock waves through the private mortgage and mortgage-backed securities markets.

The move follows the collapse late last week of an earlier bailout plan drafted by Dean Witter Reynolds, the Wall Street firm, which had sought to rescue both Epic and its real estate partnership.

The crisis was triggered last month when Epic missed payments on the \$1.4bn in mortgages and mortgage-backed securities issued to buy 20,500 homes on behalf of real estate partnerships it had organised as tax shelters.

The earlier rescue plan fell apart after Epic, a subsidiary of Community Savings and Loan of Bethesda, Maryland, sought to forestall any foreclosure by placing 341 partnerships under Chapter 11 protection of the bankruptcy code last Friday.

In the immediate wake of that move the State of Maryland went to court to appoint a conservator for Epic and its S&L parent and extended a freeze on deposits at Community Savings for another 45 days.

Under the complex Ticor rescue plan, which is due to be discussed at a series of meetings with other insurers and major lenders later this week, investors in Epic's mortgages and mortgage-backed securities would be asked to accept lower interest payments to be funded by rents received on the partnership properties together with limited monthly payments from the mortgage insurers.

Eventually the properties would be sold, but only when the sale price would cover all the unpaid balance on the mortgages. Details of the proposal are contained in a 10-page document, technically known as a "work-out" which is expected to be one of a number of proposals put forward by insurers, whose total losses as a result of Epic's problems could reach \$400m.

With steps taken to increase output of Porsche cars from its Zuffenhausen assembly plant and from the Audi assembly plant at Neckarsulm, production rose to almost 50,000 last financial year from 44,773 in 1983-84.

Production in the current financial year should be a little over 50,000, Herr Schutz said.

Herr Schutz said that Porsche expected to name a successor to Herr Jon Neidelen as sales chief "within the next 12 months."

With demand likely to continue to rise over the long term, Prof. Breitenschwerdt said that Daimler-Benz already had its sights set on a further increase in production next year. This would be achieved by lifting capacity at the Bremen plant, which at the moment is fully stretched, with output running at 140,000 cars a year.

The Bremen plant has been set up with an eye to further expansion at relatively low cost. After investment of DM 1.1bn (\$674m) over four years, the Bremen plant reached a milestone in its development just over 18 months ago, when it joined Sindelfingen in producing models of the 190-series compact class. Production of light vans was transferred from Bremen to Düsseldorf.

Prof. Breitenschwerdt said that worldwide sales revenue of Daimler-Benz reached about DM 94bn in the first eight months of this year, 28 per cent more than in the same period last year.

He said this reflected a substantial increase in business activity, after allowing for the distorting effects of last year's labour troubles and the recent MTU and Dornier share stake acquisitions.

As a result of its expansion plans and the introduction of a shorter working week, Daimler-Benz is continuing to build up its labour force, along with other producers such as Volkswagen and BMW. The company created 6,800 new jobs last year and expects to create another 3,800 this year.

Prof. Breitenschwerdt said that Daimler-Benz had lifted its car exports by 30 per cent in the first eight months of this year. Its new registrations in West Germany were up more than 20 per cent; by contrast, the domestic market as a whole still lagged behind last year's performance, although it was picking up strongly now.

He said that Daimler-Benz's marketing was well balanced, with exports taking only about half its cars, a lower percentage than for the industry as a whole.

With some understatement, Prof. Breitenschwerdt said that commercial vehicle prospects were "not quite as positive" as for cars.

Even so, Daimler-Benz expects to match last year's level of 210,000 commercial vehicles produced in West Germany and abroad.

Porsche to consider air engine viability

By Our Frankfurt Staff

PORSCHE, the West German sports car maker, will consider the commercial prospects of its aircraft engine venture later this year.

The company has developed and tried out a light aircraft engine based on a 911-model sports car engine. It has also been looking at the possibility of a variation being used as a helicopter engine.

Herr Peter Schutz, chief executive, said he believed that aviation engines were a "potentially attractive business for the 1990s."

The project was still in the development stage at present, and the company had to examine it in the context of its business plan.

He said that, if Porsche went into commercial production of aviation engines, a "modest volume" would be turned out. The company thought it could handle this on its existing sites at Zuffenhausen and Weissach, near Stuttgart.

Herr Schutz said that Porsche increased its sales revenue to more than DM 35m (\$1.62bn) in its financial year to July 31 from DM 24.9bn in 1983-84. Earnings, so far not disclosed, had "the same kind of relationship" to sales as previously.

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RVI warns that recovery may not be sustained

By Kenneth Gooding, Motor Industry Correspondent, in Frankfurt

RENAULT Vehicules Industriels (RVI), the commercial vehicle subsidiary of the state-owned French group, reduced its first half loss from FF1.2bn (\$134.8m) in 1984 to FF800m this year.

The recovery was not as great as the company had hoped and M Philippe Gras, chairman, warned yesterday that the truck price war had lapsed again in France so RVI could not expect a similar improvement in the second half. In 1984 the company's losses in the second six months reached FF1.04bn.

RVI has again lost domestic market share and was down to 39.5 per cent at the end of July. M Gras made it clear the company would do all that was necessary to move back to 42 per cent. Below that level RVI believes the profitability and strength of its dealer network would be threatened, and would open it up to importers.

Ironically, the price battle which developed last year when RVI was in a similar position and needed to regain its market share quickly is partly responsible for the group's current difficulties. The situation caused an artificial boost in truck sales as customers pulled orders forward into 1984. In the aftermath, the French truck market is extremely depressed and RVI expects total sales in France to fall from 41,000 in 1984 to 35,000 this year.

M Gras estimated that the company's vehicle production would fall by about 5 per cent from last year's 27,900. Apart from difficulties in the home market, exports to the U.S. will fall this year from the 8,402 in 1984 because of a drop in truck demand in the U.S., he added. A price war is developing in the U.S. but so far is not as fierce as that in Europe. "France today remains in the centre of the cyclone," M Gras said.

Nissan, second largest of the Japanese automotive groups, predicts that demand for cars in the industrialised countries will continue to grow at about 2 per cent a year, while in the developing countries - including China - the rate should be an annual 5 per cent.

The group will not be satisfied simply to match worldwide growth but is also determined to increase its share of the available business. Worldwide output should therefore increase steadily from last year's 2.8m cars.

Mr Morimoto suggested that Nissan's car sales in Western Europe would not alter much from the annual 300,000 achieved in the past few years, during which it has been the leading Japanese company in terms of units sold.

Mr Yoshitada Uchiyama, executive vice-president, finance and international business operations, also speaking during the preliminaries to the Frankfurt motor show, said the major changes in Nissan management in June would not precede any big changes of direction. The group was committed to becoming a full blown multinational, and to a number of overseas assembly ventures. It now wanted to make sure they were viable.

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Nissan says exports will not be cut

By Our Motor Industry Correspondent

NISSAN has no intention of cutting back car exports from Japan as it builds up assembly in the U.S. and Europe, said Mr Kiyotami Morimoto, managing director, exports, yesterday.

The company expects to increase output of cars outside Japan from 470,000 this year to 600,000 a year in the short term, mainly because of the increase in production by its subsidiary at Smyrna, Tennessee, in the U.S.

Nissan, second largest of the Japanese automotive groups, predicts that demand for cars in the industrialised countries will continue to grow at about 2 per cent a year, while in the developing countries - including China - the rate should be an annual 5 per cent.

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Schlumberger chief decides to quit

By Terry Doodsworth in New York

M. JEAN RIBOUD, the reclusive French industrialist and friend of President Mitterrand, relinquished the chairmanship of Schlumberger, the Franco-American oil services group yesterday after 20 years of iron-handed administration.

In a brief announcement, the company said that M. Michel Vailland, 53, M. Riboud's late son-in-law, would take over as chairman. It gave no explanation of M. Riboud's decision, in step down, but said that he would continue to play a role in the company as chairman of the finance committee and a member of the operating committee.

Analysts had widely expected Mr. Riboud, who is 85, to stay on as chairman for two or three more years. When M. Vailland was named president in 1983, the company said it was the policy to enable M. Riboud to remain chairman beyond the age of 65.

In his period at the top of Schlumberger, M. Riboud has won a reputation as an aloof, dominating chief executive who controlled every aspect of the company's operations. He has master-minded Schlumberger's growth into a company with revenues of \$5.7bn and interests all over the world.

A wartime resistance fighter, and a survivor of the Buchenwald concentration camp, he joined Schlumberger in Paris in 1951 as assistant to M. Marcel Schlumberger, a co-founder of the group, becoming chief executive in 1963 and chairman seven years later.

M. Vailland held various positions in the French administration before joining Schlumberger in 1973 to run the company's measurement and control operations. He has been regarded as the heir-apparent to M. Riboud since he was appointed as president.

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Revlon admits 'poison pill' could rebound

REVILON's "poison pill" device, designed as an anti-takeover measure against a pending hostile bid by Pantry Pride, could hurt Revlon itself financially if it were used, AP-DI reports.

In an SEC filing, the company said the poison pill could wipe out its equity and make it hard for the health-care and cosmetics concern to meet debt payments.

So-called poison pills generally give a company's holders the right to buy new securities in the event of a hostile takeover. The securities, if issued, make the company less attractive by boosting the cost of the takeover.

Revlon's version would be activated if an unwanted suitor, such as Pantry Pride, acquired at least 20 per cent of Revlon's stock. In that event, Revlon holders other than the hostile bidder would have the right to swap each share held for 365 at par value of 12 per cent of Revlon's notes.

Thus, holder equity would be exchanged for debt.

In its SEC filing, Revlon said, if the one-year notes became issuable for a substantial percentage of the (poison-pill) rights, they would severely increase its debt and could eliminate its equity.

Also, the company's ability to meet debt obligations "could be severely impaired," according to Revlon, if the notes were issued.

Secondary market trading in D-Mark bonds was subdued yesterday with the market lacking direction. Prices were slightly firmer on average.

In the Swiss franc foreign bond market, prices gained 1/2 point on average with trading at a higher level than has been seen recently.

Credit Suisse fixed terms for Kobe Steel's SwFr 100m issue with equity warrants as indicated at a 3 per cent coupon. Swiss Volksbank has cut the coupons on Aoki Corporation's two-tranche issue from 1 1/2 to 1 1/4 per cent for the convertible tranche and from 3 1/4 to 2 1/4 per cent on the issue with equity warrants.

The Takagin issue, which came first, traded above par at one point but slipped back to around 98.85, but the Christiania issue fared less well, though holding within the fees at around 98.50.

The Council of Europe lit up the Luxembourg franc bond market with a rare public issue raising LmFr 600m. The coupon for the 10-year issue, led by Banque Internationale a Luxembourg, was fixed at 8 1/2 per cent - the lowest for some years. Issue price is par and the bonds traded well inside the 1 per cent selling concession.

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Leucadia relinquishes bid

By Our Financial Staff

NATIONAL INTERGROUP, the Pittsburgh-based steel and financial services group, yesterday announced an agreement with Leucadia National, an unwelcome bidder for the company, to buy back most of Leucadia's stake at \$24 a share.

Leucadia, a New York insurance and finance company, had built up a 9 per cent holding in the steel company in the course of a \$35 a share cash offer that valued National Intergrupp at around \$750m. A condition of the bid was that Na-

tional Intergrupp should withdraw from a \$172m agreement to buy Perminco, a Texas energy company. Leucadia argued that the money - derived from National Intergrupp's \$400m disposal of First National Savings to Ford Motor - should

Colorado Interstate Corporation
a subsidiary of
The Coastal Corporation
\$1,650,000,000
Revolving Credit and Term Loan Agreement

Funds Provided By

Bankers Trust Company	Citibank, N.A.
Bank of Montreal	Canadian Imperial Bank of Commerce
The Bank of Nova Scotia	Mellon Bank, N.A.
The Royal Bank of Canada	Security Pacific National Bank
Arab Banking Corporation (ABC)	The Bank of New York
Continental Illinois National Bank	Interfirst Bank Dallas, N.A.
Mazda Midland Bank, N.A.	Texas Commerce Bank, N.A.
The Toronto Dominion Bank	Westdeutsche Landesbank
Ameritrust Company National Association	Banco di Napoli Banque Paribas
The Chase Manhattan Bank, N.A.	Comerica Bank—Detroit
Dominion Bank, N.A.	First Interstate Bank of California
The First National Bank of Boston	The First National Bank of Chicago
Fuji Bank, Limited	Irving Trust Company MBank Houston, N.A.
National Bank of Detroit	National City Bank
Nederlandsche Middenstandsbank, N.V.	Norwest Bank Minneapolis, N.A.
Société Générale	State Bank of New South Wales
The Tokai Bank, Ltd.	United Bank of Denver, N.A.
The Valley National Bank of Arizona	Westpac Banking Corporation

Co-Agents
Bankers Trust Company **CITIBANK, N.A.**

This announcement appears as a matter of record only.

Colorado Interstate Corporation
a subsidiary of
The Coastal Corporation
US \$350,000,000
Revolving Euronote Issuance Facility

Lead Managed and Arranged by
Orion Royal Bank Limited

Co-Lead Managed by

Arab Banking Corporation (ABC)	Banque Paribas (Suisse), S.A.
Canadian Imperial Bank Group	Midland Bank plc
The Royal Bank of Canada Group	Toronto Dominion International Limited
Westpac Banking Corporation	

Managed by

Banco di Roma	Bank of Montreal	The Bank of Nova Scotia Group
Commerzbank Aktiengesellschaft		State Bank of New South Wales

Co-Managed by

Banque Française du Commerce Extérieur	Credit du Nord
Den norske Creditbank	The Sumitomo Bank, Limited
Westdeutsche Landesbank	The Tokai Bank, Ltd.

Participants

Banco de Bilbao S.A.	Banco di Napoli	The Fuji Bank Limited
Kansai-Oriental Bank	The Mitsubishi Trust and Banking Corporation	
Nederlandsche Middenstandsbank, N.V.	Saudi European Bank S.A.	
Union Bank of Norway		

Facility Agent
Orion Royal Bank Limited

BARCLAYS BANK PLC
U.S. \$600,000,000
UNDATED FLOATING RATE PRIMARY CAPITAL NOTES
("the Notes")

In accordance with the Trust Deed dated 2nd July, 1985 ("the Trust Deed") made between Barclays Bank PLC ("the Bank") and Phoenix Assurance Public Limited Company, constituting the Notes, the Bank hereby gives notice that 3rd November, 1985 has been determined as the Exchange Date as defined in Clause 4(B) of the Trust Deed.

Persons entitled to delivery of any of the Notes are accordingly advised to obtain from the specified office of any of the Paying Agents, the office of CEDEL S.A. in Luxembourg or the office of Morgan Guaranty Trust Company of New York as operator of the Euro-clear System ("Euro-clear") in Brussels, the form(s) of the relevant certificate(s) to be completed, stating that such Notes are beneficially owned by persons (a) who are not (i) U.S. persons (as defined in the Trust Deed) or (ii) persons who have purchased them for reoffer or resale to any U.S. person or (b) who are U.S. bank branches (as defined in the Trust Deed). Completed certificates should be delivered to the office of CEDEL S.A. in Luxembourg or to the office of Euro-clear in Brussels prior to, on or after the Exchange Date. Definitive Notes with Coupons will be available on or after the Exchange Date in exchange for relevant certificates.

BARCLAYS BANK PLC
12th September, 1985

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.
on 9th Sept. 1985 U.S. \$86.22

Listed on the Amsterdam Stock Exchange
Information: Pierson, Holding & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.

Korea Exchange Bank

U.S. \$125,000,000

Floating Rate Notes due 1999

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 12th September, 1985 to 12th March, 1986 the Notes will carry an Interest Rate of 9% per annum.

Interest due on 12th March, 1986 will amount to U.S. \$452.50 per U.S. \$10,000 Note and U.S. \$11,312.50 per U.S. \$250,000 Note.

Morgan Guaranty Trust Company of New York
London
Agent Bank

AIBD BOND INDICES

WEEKLY EUROBOOND GUIDE SEPTEMBER 6, 1985

	Redemption Yield	Change on Week	12 Months High	12 Months Low
US Dollar	10.673	0.005	12.966	10.629
Canadian Dollar	11.577	0.300	13.530	11.526
Euroguilder	6.327	0.176	7.879	6.263
Euro Currency Unit	9.203	0.162	11.288	9.189
Sterling	10.958	-0.403	11.752	10.809
Deutschemark	6.877	0.003	7.932	6.856

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JYZ CH

INTERNATIONAL COMPANIES and FINANCE

FOREX DEALINGS SUSPENDED AMID POLICE INQUIRY

Fletcher Challenge strongly ahead

BY DAI HAYWARD IN WELLINGTON

FLETCHER CHALLENGE, New Zealand's largest company, achieved record net profits of NZ\$180.9m (US\$93.6m) in the year to June, ahead by 38 per cent, on turnover which at NZ\$4.1bn was 27 per cent above last year's level.

The growing internationalism of Fletcher Challenge — which has interests in forest products, construction, financial services and farming — was highlighted by the returns from its overseas activities and exports. These provided NZ\$21m or 45 per cent of total revenue.

The results were marred, however, by an announcement that Broadbank Corporation, its finance house subsidiary, is temporarily to close its foreign exchange trading operations following losses of nearly NZ\$23m incurred through unauthorised dealings. An after-tax loss of NZ\$7.9m has been provided for in Fletcher's accounts.

Police have interviewed a number of people involved in foreign exchange dealings, including staff in Broadbank and other finance houses. One senior Broadbank employee has resigned and six other management staff have been asked to take indefinite leave.

The company launched its own inquiry two weeks ago when it discovered that a substantial part of its foreign exchange deals during a five-week period.

A private group using the facilities of Broadbank and other financial institutions had reportedly gambled on a drop in the value of the New Zealand dollar when it was floated earlier this year. Experts had predicted that it would drop, but instead it firmed against its Australian and U.S. counterparts.

Broadbank will still provide a foreign exchange service for its clients, but in future will act only as a broker, placing the business through other agencies such as the trading banks.

Sir Ronald Trotter, Fletcher's chairman, described the Broadbank loss as a disappointment, but said the strength of the company enabled it to absorb this setback.

The dividend is being raised from 20 cents gross per share to 22 cents.

The company had a NZ\$47.7m tax bill in contrast to a credit last year of \$24.4m gained through export subsidies and other tax rebates.

This year's results include \$55.5m in deferred income from North American operations. Sir Ronald is confident the group will do even better next year and he made particular reference to prospects in North America, where the company is involved with the Crown Zellerbach forestry operation in Canada.

Export sales from Fletcher's own operations exceeded NZ\$500m for the first time, with another NZ\$490m export earnings coming from indirect sales. The group now produces nearly 10 per cent of New Zealand's total export earnings.

Sabie and its joint venture partners — most of which are U.S. companies — sold \$45.511 tonnes of methanol, \$55,000 tonnes of urea, \$45,000 tonnes of steel and 11,070 tonnes of linear low-density polyethylene (LLDPE) in 1984. The LLDPE plants, which were started up in 1984, came fully on stream this year.

Investment in 1985-86 is to be in what Sabie terms second generation projects. These consist largely of petrochemicals, based on Saudi Arabia's low cost gas feedstocks, and also metals production. When completed, the second generation projects are to yield a combined annual production of 3.5m tonnes of petrochemicals, plastics, fertilisers and metals.

Employees in the new projects are to total 5,400, on top of the 7,000 employed at existing ventures. The aim is for a workforce which is 75 per cent Saudi nationals in the near future, against a present level of 47 per cent.

The first public flotation of Sabie shares took place last year. The initial 20 per cent offering was three times oversubscribed, so the flotation was stepped up to 30 per cent.

Malaysian proposals on brokers' equity criticised

BY WONG SULONG IN KUALA LUMPUR

A MALAYSIAN Treasury proposal to allow a limited amount of outside equity participation in local stockbrokers has received a lukewarm response from Malaysian merchant banks and foreign broking houses.

The proposal, which is believed to have the support of the Kuala Lumpur Stock Exchange (KLSE), recommends that the interests of smaller stockbrokers be limited to 31 per cent for merchant banks and 20 per cent for foreign stockbrokers.

This recommendation is now being debated by a task force, set up two months ago, and comprising representatives from the Treasury, KLSE and merchant banks. It will submit its report to Mr Datu Zaiduddin, the Finance Minister, by the end of the month so that he can announce changes to securities industry regulation in the Budget, due in October.

Some Malaysian merchant banks are known to be having discussions with local stockbrokers, who are prepared to sell 51 per cent control to the banks. The banks feel such takeovers should be allowed to proceed.

Merchant banks and foreign brokers say the Treasury proposal does not go far enough. They are arguing for the right to acquire majority control in local stockbroking firms.

However, the KLSE supports the equity limits as it feels these would add depth to the securities industry and at the same time safeguard the interests of smaller stockbrokers, which would not be able to compete with the banks and foreign broking houses.

Foreign brokers say they are unlikely to be interested in coming into Malaysia if their equity is limited to 20 per cent.

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Restructuring moves at Gramophone Co of India

BY P. C. MAHANTI IN CALCUTTA

THE Gramophone Company of India, the 36 per cent affiliate of Thorn EMI of the UK, has secured the services of leading entrepreneur Mr R. P. Goenka in its efforts to construct a package of financial revival measures.

Mr Goenka, who already controls Dunlop India, is not taking an equity stake in the Gramophone Company. But with the assistance of Mr Udayan Bose, a merchant banker, he is to organise an injection of funds from financial institutions and to advise on managerial resources, where he says the company needs immediate assistance.

This will form part of a recovery package based on diversification and expansion. The company has plans to raise cassette manufacture to 10m units.

The funding needed is not available from its own resources. The company has been incurring heavy losses during the past three years and its cumulative losses to date may be more than Rs 100m (\$5.3m).

Confirming the arrangement with Mr Goenka, Mr Bhaskar Munshi, chairman of the Gramophone Company, said Thorn EMI would retain both its existing investment and its commercial and technical relationships.

The General Electric Company of India, majority controlled by GE of the UK, has reported improved results for the year to last March. On turnover of Rs 805.1m (\$66.8m) against Rs 711m, pre-tax profits were Rs 53.4m compared with Rs 47.8m. Net earnings rose to Rs 20.5m from Rs 17.5m.

However, in keeping with the company's conservative dividend policy, a 15 per cent payout has been maintained.

Old Mutual lifts income 19.5%

BY ANTHONY ROBINSON IN JOHANNESBURG

OLD MUTUAL, South Africa's largest insurance group, reported a 19.5 per cent growth in total income to R2.8bn for the year to June, compared with R2.38bn (\$1.13bn) in 1984.

Investment income rose 30.7 per cent to R1.04bn. This followed a change in investment strategy leading to a significant reduction in the level of tradable stock and a shift in favour of highly marketable investments, especially in South African prescribed securities.

The market value of investments in government, public utility and municipal stocks rose 32 per cent to R3.58bn. Premium income from individual group business rose 15.9 per cent to R988m while group premium income rose 11.4 per cent to R828m.

The group "significantly increased" its equity holdings — prominent among these were

Anglo American Corporation, Barlows Rand and Stables — and also continued investing heavily in property, where its portfolio rose 23 per cent to R1.98bn.

Its position as industry leader in South Africa was strengthened as that by end-December it had 27.5 per cent of all individual life business and 28.7 per cent of all group business.

Benefits paid to policy holders and beneficiaries rose 41 per cent to R836m.

New Australian group enters fire clays market

BY JOHN McILWRAITH IN PERTH

AN AUSTRALIAN company is being set up to exploit the country's lucrative market for fire clays in the ceramics and paper industries.

At present, English China Clays of the UK has a 51 per cent interest in the biggest company in the field in Australia, Kaolin Australia. The new company, Australian China Clays, has rich deposits of clay in New South Wales, and plans major exports, particularly to South-East Asia and Japan.

The two will not be in direct competition immediately, because English China Clays mostly serves the paper and chemical industries while Australian China Clays will specialise in porcelain and other ceramics.

It is understood that the new company has arranged to raise

some A\$4m (U.S.\$2.7m) in a share issue underwritten by the Australian stockbroker, Bain & Co. The major part of the funds will be used to build a 25,000-tonne a year plant, which can be readily expanded in the future, to upgrade clay from a deposit with 2.5m tonnes in proven and probable reserves.

Clay may prove to be more profitable than some Australian gold mines given the high prices being received on international markets. These range between A\$150 and A\$300 a tonne FOB.

The deposits already produce high grades of clay in a less processed form and Australian China Clays will take over the reserves and current business from Swan Resources, its parent company, which will retain about half the new company.

Terrex/BHP joint venture

Terrex/BHP joint venture

By Kenneth Marston, Mining Editor

TERREX RESOURCES has completed a joint venture agreement with BHP Proprietary (BHP) for the exploration of gold leases in Western Australia, notably at the Lady Evelyn gold prospect where BHP is to spend US\$500,000 on exploration.

Terrex is also in the final stages of negotiation on the development of other gold leases with Consolidated Gold Fields. Also in progress are negotiations to acquire a majority interest in the Gandy's Hill gold prospect.

Zambia Copper loss

ZAMBIA Consolidated Copper Mines reports a net loss for the June quarter of K28.3m (\$7m) compared with a loss of K3.7m a year ago. Writes our Mining Editor, Exchange losses amounted to K29.6m (K17.6m) and interest payments were K40.1m (K32.9m).

NEDLIRA FINANCE B.V.

US\$500,000,000 Guaranteed Floating Rate Notes due 1988

Guaranteed on a subordinated basis by

LIBRA BANK LIMITED

For the three months 12th September, 1985 to 12th December, 1985 the Notes will bear an interest rate of 9 1/4% per annum and the coupon amount per US\$100,000 will be US\$2,180.21

Hoechst

Aktiengesellschaft

Report on the 1st half-year 1985

Sales and profit of the Hoechst Group in the second quarter of 1985 were approximately as good as those in the first quarter. This amounts to total sales in the first half-year of 1985 of DM 22,215 billion, which is 7.3% more than in the corresponding period last year. Sales in the Federal Republic of Germany rose by 5.5% to DM 5,470 billion; foreign business increased by 7.7% to DM 16,745 billion. Compared with the corresponding period last year, sales in the Federal Republic of Germany in the months April to June showed a stronger rate of growth than in the first quarter. This is attributable to, amongst other things, the decrease in business last year due to the industrial dispute in the German metal and printing industries.

Sales abroad showed a gratifying expansion, especially in western Europe and Australia. In the USA, the high rate of exchange of the dollar was favourable for imports. Together with the lower level of US domestic demand, this resulted in considerable difficulties in some industries. This also had an effect on the sales of American Hoechst Corporation, especially in plastics and fibres, as well as in textile dyes.

Hoechst Group profit before tax amounts to DM 1,647 billion for the first half-year. Last year it was DM 1,477 billion for the corresponding period. It was principally the affiliates in the Federal Republic of Germany which contributed to this improved profit situation. Business developments were also positive abroad, except in the USA, South Africa and Argentina.

Hoechst AG sales rose by 8.1% to DM 7,905 billion. The increase in the Federal Republic of Germany was 8.2%, the rise in exports was 9.8%. Sales in the Federal Republic of Germany include, as in the first quarter, increased deliveries to other consolidated German companies. Sales in the Organic Chemicals and Technical Information Systems Divisions as well as exports of Pharmaceuticals increased at an above-average rate. The price level in the Federal Republic of Germany remains only slightly above that of last year. One third of the increase in exports is due to price changes and currency fluctuations.

In the second quarter capacity utilization was 84%, last year it was 86%. Inventories are lower than at the beginning of the year.

Hoechst AG achieved a profit before tax of DM 613 million in the first six months. This is an increase of DM 189 million compared with the corresponding period last year.

Personnel expenditure is DM 1,972 billion. As at 30th June 1984 it amounted to DM 1,836 billion. The number of employees rose by 778 compared with the level one year ago.

We are expecting satisfactory business developments for the second half-year, even if overall economic activity levels off and the rate of the US dollar drops further.

Hoechst Group		Sales (DM million)		1st half-year 1985		1st half-year 1984		Half-year average 1984		Changes in % compared with 1st half-year 1984		half-year average	
Total		22,215		20,710		20,729		20,729		+ 7.3		+ 7.3	
Fed. Rep. of Germany		5,470		5,125		5,125		5,125		+ 5.9		+ 5.9	
Abroad		16,745		15,585		15,604		15,604		+ 7.7		+ 7.7	
Profit before taxes													
DM million as % of sales		1,647		1,477		1,426		1,426		+ 11.5		+ 11.5	
		7.4%		7.1%		6.9%		6.9%					
Hoechst AG		Sales (DM million)		1st half-year 1985		1st half-year 1984		Half-year average 1984		Changes in % compared with 1st half-year 1984		half-year average	
Total		7,905		7,244		7,151		7,151		+ 9.1		+ 10.5	
Fed. Rep. of Germany		3,410		3,132		3,132		3,132		+ 8.2		+ 8.9	
Abroad		4,495		4,092		4,019		4,019		+ 9.8		+ 11.8	
Export percentage		56.9%		56.5%		56.2%		56.2%					
Profit before taxes													
DM million as % of sales		813		644		688		688		+ 26.2		+ 22.1	
		10.3%		8.9%		9.3%		9.3%					
Employees													
Personnel expenses													
DM million (excluding pension funds)		1,972		1,836						+ 136		+ 7.4	
Number of employees													
as at 30.6		60,553		59,775						+ 778		+ 1.3	

Frankfurt am Main, August 1985

The Board of Management

UK COMPANY NEWS

Enlarged BTR surges 31% to £151m

BTR, enlarged by the £101m cash and share acquisition of Dunlop Holdings, recorded sales of £1.85bn and pre-tax profits of £161m for the first six months of 1985.

The figures, which include those of Dunlop from April 1, compare with the £1.56bn and £118m achieved by BTR alone over the same months of the previous year.

With earnings showing an improvement of 2p at 5.5p per 25p share the interim dividend is being lifted from an equivalent 2.875p to 3.75p net.

Sir Owen Green, the chairman, tells shareholders in his interim report that the fusion of the Dunlop group with BTR has

made fine progress. He adds that there has been a speedy harmonisation of aims, objectives and style in management which will increasingly generate better contributions.

Group operating profits for the half-year improved by £49m to £188m. Pre-tax results were after deducting finance costs amounting to £49m (£34m) and adding in other income of £12m (£8m).

Tax rose to £44m (£34m) and minorities to £5m (£3m).

A divisional breakdown of operating profits shows: construction 25m (same), energy and electrical £36m (£31m), industrial £40m (£22m), consumer related £89m (£56m) and financial services £8m (£9m).

Geographically, the figures broke down as to Europe £104m (£83m), West £13m (£48m) and East £21m (£12m).

Sir Owen says there have been volume gains as well as efficiency achievements in many of the manufacturing operations and although the distribution activities made progress they have not yet benefited from the gradual easing of tight money policies worldwide.

He adds that further challenges and opportunities of 1985 are being sought and will be seized to fortify the extra seasonal response that the second six months provides.

During the first half in construction continuing improvements in quarried materials activities in the U.S. and in specialist operations elsewhere were offset by volume related declines in builders' merchanting. The benefits of cost reduction have not yet outweighed the expense of obtaining them.

The electrical distribution networks continued to raise their performance. By contrast, in serving the oil industry BTR's distributors continued to suffer from low demand, but specialist manufacturers made substantial gains.

The industrial sectors improved results were widely drawn and well secured.

Sir Owen points out that although the consumer-orientated business was augmented by first-time contributions from Dunlop and Nylax it also gained from several other good performances, including the paper and the health care groups.

The offer by BTR for Dunlop was accepted by 87.3 per cent of holders. The group has now obtained the approval of its shareholders for a scheme of arrangement to buy in the outstanding 12.7 per cent of the tyre and rubber concern.

The scheme is still subject to the sanction of the High Court but it is expected to become effective on or about October 28. See Lex

Apricot warns of losses in first half

By Jason Crisp

Apricot Computers—one of Britain's fastest growing companies—warned yesterday that after stock write downs it would make a loss in the first half of its financial year.

Apricot—formerly Applied Computer Techniques—said pre-tax profits would be "considerably less than the record figure of £3.8m achieved last year." In addition Apricot is making a substantial provision against stocks, although this is not expected to exceed £3m after tax.

As a result, the company will make its first (interim) loss after 12 years of continuous profit growth. Apricot would not comment on the likely outcome for the full year, other than it expected a significant improvement in the second half.

Sales growth has been less than expected and the company is having particular problems in France and West Germany. The main reason for the exceptional stock provision is the very poor sales of its Portable Computer in spite of sharp price cuts earlier this year.

Apricot has grown very rapidly largely through its success in selling a range of personal computers for business in the UK market. In the year to March 1985 the company's pre-tax profit jumped 129 per cent to £10.6m on sales 82 per cent higher at £82.4m.

Sales in the first half are expected to be about £50m (up about 35 per cent) compared with an expected £80m. The company has now downgraded its expectations for the full year from £140m to £120m. It has stronger pressure in the UK from IBM which has been increasing its market share with its "Personal Computer."

Earlier this year Apricot predicted overseas sales would double to £40m in the current year with about half coming from France and West Germany.

Apricot has had difficulty establishing itself in both those markets. In addition to strong competition from IBM and Apple of the U.S. it also faces a number of domestic rivals such as Nixdorf, Siemens, Triumph Adler and Olympia in West Germany and Thomson and Logabax in France.

In a statement yesterday Apricot said: "The financial position of the company remains strong with substantial net cash balances and the directors anticipate a significant improvement in the second half of the year."

Bowater set to reap benefits

HIGHER DEPRECIATION but lower interest charges left Bowater Industries with pre-tax profits of £13.2m at the interim stage, an improvement of just £0.8m on the figures of the previous year.

City analysts had been looking for profits of around £16m and yesterday the group's shares shed 7p to close at 343p.

However, with the major capital programmes and the associated costs related to the demerger of the North American activities largely behind it, Dr Ingram Keaton, the chairman, is looking forward to reaping the benefits from a group which he describes as vigorously managed, profitable and well focused.

He expects these benefits to become progressively evident in the group's results and be augmented by contributions from its continuing programme of acquisition and expansion.

Along with its interim results, the group revealed that its Bowater Packaging offshoot had reached agreement to acquire Givray, based at Auneuil, in France, a converter of corrugated board, for £13.2m (£11.2m).

Givray is an existing customer of Bowater's heavy-duty company at Hinkley, Leicestershire, and the purchase will extend the activity of the Bowater corrugated group directly into an area of France higher carved from its major operation in Benelux.

For the opening six months of 1985 group sales rose by £23m to £181m. Depreciation increased from £13.1m to £17.5m, but interest charges were reduced by £2.2m to £5.9m.

Exports emerged at 64p (£6.5p) and with the directors encouraged by the underlying



progress the interim dividend is being lifted modestly from 3.5p to 3.75p net per £1 share. The group's interests are in packaging and associated products, merchanting and services, tissue products and pulp and paper.

In a statement following the results Dr Lenton put the once only costs at between £8m and £10m.

He also forecast bigger profits over the remainder of the year. Sector by sector we expect to be doing better at the trading profit level in the second half than we did last year," he said.

Dr Lenton summed up: "The current year was the one of sowing and 1986 would be the year of major reaping for Bowater."

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Current dividend	Corresponding dividend	Total for year	Total last year
AB Ports	3.25	Nov 6	3	—	8.5	8.5
Atlantic Computers	0.75	Oct 11	0.75	—	2.25	2.25
BAT Industries	4.75	Nov 18	4.05	—	10.3	10.3
Bocaways	10	Oct 8	8	—	21	21
Bowater	3.75	Nov 4	3.5	—	8.5	8.5
BATY	3.75	Nov 22	2.88*	—	6.5*	6.5*
Chambers & Fergus	nil	—	0.5	—	1	1
Castain Group	6.5	Oct 21	6	—	15	15
Deborah Services	3.57	—	3.24	4.88	4.53	4.53
Dinkie Heel	0.2	Jan 2	0.2	—	0.53	0.53
English & Scottish	0.5	Oct 25	0.45	—	1.25	1.25
Haynes Publishing	9	Nov 27	8.5	13	12.5	12.5
London Park Estates	3.5	Nov 27	3.25	—	7.38	7.38
Nardin & Fracsek	1.65	Oct 30	1.38*	—	3.38*	3.38*
Reckitt & Colman	6	Jan 9	5.5	—	14.3	14.3
Sirad	2.5	Dec 2	2	—	3.25	3.25
Trade Indemnity	4.28	Nov 4	3.75	—	8.44	8.44
United Real Property	9	Nov 1	7	—	12	12
VG Instruments	0.7	—	0.6	—	1.8	1.8

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issues. † USM stock increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ On capital enlarged by a placing.

Enterprise holds 20% of Saxon

By Dominic Lawson

Enterprise Oil, the former oil production arm of the British Gas Corporation, holds 20.2 per cent of the shares of Saxon Oil, a week before the first closing date of its £122m cash bid for Saxon, also an exploration company.

Saxon's share price, hit with the rest of the sector by the expectation that Saudi Arabia will soon begin cut-price oil sales, has fallen to a level at which Enterprise can pick up stock at the 54p bid price.

Saxon had previously agreed a merger with Charterhouse Petroleum, another UK oil company, but this was blown off course by the Enterprise bid. Of the 38 per cent of Saxon shareholders who voted in favour of the Charterhouse merger, all but 7.45 per cent have withdrawn their acceptances.

Oil shares were also hit yesterday by unfounded rumours that Sheikh Yamani, the Saudi oil minister, had been shot. BP shares fell 9p to 546p, a two-day fall of 22p, while Shell shares fell 8p to 703p, a two-day fall of 17p. Sheikh Yamani is expected in England today on a non-official visit.

Dinkie Heel

DINKIE HEEL is proposing to acquire the footwear division of FTS Rubber, a private company, for £550,000 cash and 890,000 new shares of 5p each in Dinkie Heel, giving a total consideration of about £961,250. It has also announced a fall in pre-tax profits for the first half of 1985 from £25,000 to £10,000 on turnover down at £961,000 (£984,000). The interim dividend is held at 0.2p.

NHLC unveils £100m full listing offer

By Margaret Hughes

National Home Loans Corporation, which was recently formed and, is to be the first publicly quoted company, investing directly in residential mortgages, yesterday announced terms of an offer to raise just under £100m.

It is offering for subscription 50m of its partly paid ordinary shares of 75p each issued at £1 and £50m in partly paid 8 per cent convertible loan stock.

The shares and loan stock will be sold in minimum units of £200 comprising 100 shares and £100 nominal loan stock with £100 payable on application.

Applications open on September 17.

The net amount to be raised will be around £45.7m with a further £50m to be called during the first nine months of 1986.

NHLC said yesterday that it was issuing partly paid securities because it would not require the full issue proceeds immediately as its investment would be made over a period of time. The balance of the issue price of both ordinary shares and loan stock will be called up on a single date between January 1 and September 30 1986.

The directors claimed that they were "aware" of intended applications for all the units being offered from financial institutions. If all these were received 75 per cent would be accepted with applications from the general public getting priority for the remaining 25 per cent not pre-placed.

The offer has been underwritten by Hongkong Bank and James Capel are brokers. Dealings are expected to start on September 24 and a full listing will be obtained.

National Home Loans, based at Solihull in the West Midlands, was established earlier this month by a group of City institutions to invest directly in mortgage loans secured on residential property in the UK.

In its first three years it will establish a mortgage portfolio by taking over certain mortgage lending activities of selected local authorities and financial institutions.

It is understood to have identified local authority mortgage portfolios worth about £200m and expects to make its first major investments in November. See Lex

Elders' chief seeks U.S. partners for Allied bid

By David Goodhart

MR JOHN ELLIOTT, chairman of Elders Ltd, arrived in the United States yesterday to continue discussions with a number of U.S. companies on the possibility of joining an Elders-led consortium bid for Allied Lyons, the British food and drink company.

When Elders announced its intention to bid last week Mr Elliott said consortium discussions were continuing with four companies, but since the statement was made a number of other companies had expressed interest.

Mr Christopher Roschier of Hill Samuel, which is acting for Elders, stressed yesterday that despite market rumours to the contrary the company was not expecting to make a further announcement for another "four or five weeks." In its original

announcement Elders said it expected to "clarify the situation within six weeks."

It is now known that the group of five banks, co-ordinated by Citicorp, which have arranged loan commitments to fund a 250p offer for Allied includes no British or Australian banks. Mr Elliott said his company had good relations with the banks in both countries but "British banks might face a conflict of interest" over funding a bid for Allied.

Elders seems almost certain to sell off Allied's food interests—probably to a consortium partner—if its bid is successful.

Allied's financial advisers, S. G. Warburg, have complained to the Takeover Panel about the uncertainties created by Elders' announcement and are now keeping "in regular touch" with the Panel.

Panel relaxes timetable for Throgmorton Trust bid

THE Takeover Panel has given Throgmorton Trust permission for a relaxation of the normal timetable imposed by the City Code in its £115m contested bid for Scottish Northern Investment Trust (SNIT).

Under the normal timetable, Throgmorton should have posted its offer document late last month. However, it sought Panel permission to delay this when SNIT came up with a counter-proposal that the fund be unified under the management of Murray Johnstone. Details of the plan have yet to be released.

Unifications are not usually regarded as subject to the takeover code, but in this instance Throgmorton argue that the timetable governing its bid should be relaxed, so shareholders could consider the two proposals side by side.

In a letter to shareholders yesterday, SNIT said work on its detailed proposals for unification

was progressing and was very much in line with original expectations. However, a number of issues remained to be clarified.

Capital Gearing

A majority of shareholders in Capital Gearing Trust, the Belfast-based company, has followed its board's example, and has voted against the cash and loan stock offer from Mr Tom Wilmut's Harvard Securities.

The bid, which valued Capital at £2m, has been withdrawn.

The offer came last month when Harvard announced that it held a 5.3 per cent stake in the company. The Capital board, headed by Maj G. W. Harding, refused then to recommend it to shareholders, and £1.05 per cent of shareholders have now followed suit.

N	Z	T	R	X

Clue: N=M

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ANSWER MAGIC

BOWATER

Foundations laid for future profit growth

INTERIM RESULTS (unaudited)

	Six months to 30th June 1985	1984	1984
Trading profit:	£m	£m	£m
— Packaging and associated products	7.2	6.4	15.1
— Merchanting and services	3.1	6.0	15.0
— Tissue and associated products (50%)	3.7	4.0	6.2
— Paper and pulp	2.5	2.1	4.8
— Other activities less central costs	(0.1)	(1.0)	0.2
	16.4	17.5	41.3
Discontinued operations	—	—	0.2
Partner's share in tissue and associated products (50%)	3.7	4.0	6.2
	20.1	21.5	47.7
Interest (net)	6.9	9.1	12.0
Profit before taxation	13.2	12.4	35.7
Taxation	4.5	2.6	5.4
Profit after taxation	8.7	9.8	30.3
Minority interests	2.8	3.8	7.8
Profit attributable to shareholders	5.9	6.0	22.5
Dividends: preference	0.1	0.1	0.3
ordinary	3.5	3.2	7.7
Earnings per ordinary share	6.4p	6.5p	24.6p

Notes:
Figures for the six months to 30th June 1985 incorporate a change of accounting policy to implement SSAP21 (Accounting for Leases). The effect is to increase interest costs by £1.5m and pre-tax profits by £0.2m.
Figures for the year 1984 have been abridged from full accounts for that year which received an unqualified audit report and have been filed with the Registrar of Companies.

Interim dividend increased to 3.75p on underlying progress

"Since demerger we have continued to press ahead with laying the foundations for future increases in both the quantity and quality of profits. Behind trading figures similar to those of the first half of 1984 lie significant "once only" costs through the introduction of new technology at Bowater-Scott; extended commissioning of a rebuilt paper machine and a major re-shaping of our United Kingdom pvc window manufacturing facilities. The underlying progress has encouraged us to make a modest increase in the interim dividend.

At the time of demerger we recognised that there was much to be done both in capital investment and in restructuring before the Bowater Industries Group was in first class condition as regards product quality and competitive position. The major capital programmes and the associated revenue costs are largely behind us and we can now look forward to reaping the benefits from a vigorously managed, profitable and well-focused Group. I expect these benefits progressively to become evident in our results and to be augmented by contributions from our continuing programme of acquisition and expansion."

A. I. Lenton, Chairman.

BOWATER INDUSTRIES PLC

Bowater House, Knightsbridge, London SW1X 7NN

UK COMPANY NEWS

BAT slumps 24% after currency losses of £116m

BAT Industries yesterday announced a 24 per cent slump in first-half profits, principally blaming currency fluctuations and setbacks in U.S. retailing and UK insurance.

The result, down from £394m to £298m pre-tax, was well short of City expectations. Even without currency movements, which cost £116m, profits were down by 3 per cent.

Despite the interim dividend being raised from 4.05p to 4.75p, still covered comfortably by earnings per share down at 24.9p, against 28.6p.

Around half of the currency impact on profits was due to North America and the rest from many other countries, some of which had devalued.

"This was an unusual combination of circumstances," said Mr Patrick Sheehy, the chairman. "We are suffering from the effects in the U.S. of sector trends and from the disappearance of the UK, which have affected all general insurers in this country."

However, he had "no regrets" of moving into financial services, and stressed that Allied Dunbar, acquired in February, was well up while Eagle Star was reckoned by BAT to be a long-term growth business.

Although BAT was suffering from policies written off before it acquired Eagle Star, "we were a little surprised by the extent of the downturn in the half-year. It is a setback but not a catastrophe," he said.

Eagle's tangible result fell from £90.3m to £48.1m with underwriting losses up 45 per cent at £78.7m and an investment return lower at £117.7m, against £124.5m.

A large part of the underwriting losses—£68.5m in all—stemmed from the UK, which property account was hit by bad weather in the early part of 1985 while the motor account has suffered from rising numbers of

DIVISIONAL PROFIT ANALYSIS

	Turnover	Operating profit	%
	1985	1984	1985
First half	(£m)	(£m)	(£m)
Tobacco	2,752	3,183	305
Reinsuring	1,620	1,741	6
Financial Services	737	680	81
Other trading	689	525	41
Associates share	626	746	12
Total	7,589	7,905	531

Interest charges, which rose from £50m to £62m, included the full six months of Eagle and the Allied Dunbar financing costs.

The chairman said an encouraging feature of the first half was BAT's worldwide tobacco volume, which again matched "our confidence in the future of our major business activity and led to an increase in operating profit before currency fluctuations."

For the first time for some years, Brown and Williamson increased its market share, "with gains in economy-priced brands," profits, however, were affected by higher advertising costs.

Overall, tobacco operations suffered a 14 per cent fall in profits to £268m. Turnover was down from £3.18bn to £2.75bn, reflecting currency devaluations.

Paper had an "excellent half year," with Wiggins Teape showing a 35 per cent profit improvement in sterling terms. Markets were buoyant both in Britain and the Continent and rationalisation and improved efficiency brought rewards.

In retailing, Argos in the UK and Marshall Field in the U.S. achieved increases in both sales and profits. Other U.S. retail companies, however, suffered a significant profit fall due to the expense of trading in a highly competitive and promotional market place.

Grand Met Metropolitan, which last month launched a \$386m (£294m) agreed bid for Pearl Health Services, the U.S. eye-care services retailer, has now acquired 99 per cent of the company's share capital. Pearle is expected to become a wholly-owned subsidiary by the end of October.

YEARNING BONDS totalling £10.5m at 11 1/2 per cent redeemable on September 17, 1988, have been issued this week by the following authorities: Braintree District Council £0.25m; East Lindsey DC £0.5m; Swansea (City of) £1m; West Glamorgan County Council £0.75m; Edinburgh (City of) £0.25m; Hillingdon (London Borough of) £1m; South Northamptonshire DC £0.25m; Tunbridge Wells Borough Council £0.5m; Cunningham DC £1m; Newport BC £0.5m; Portsmouth (City of) £1m; Sheffield (City of) £1.75m.

turned in another very good result and all looks set for the total at the year end to reach £13.5m. The market seems to have been in the channel of response with the share falling 8p to 284p. It may be, however, that this reflects uncertainty over BAT's intentions as far as its almost 70 per cent stake in VG is concerned. The very special structure of VG in which staff have meaningful stakes in the many subsidiaries would be

Johnson Matthey co-operating in legal action with JMB

BY MARTIN DICKSON

Johnson Matthey, the metal refining and chemicals group, is to co-operate with Johnson Matthey Bankers, its former subsidiary, in prosecuting claims against accountants Arthur Young over the near collapse of JMB last year.

This was confirmed by Mr Neil Clarke, Johnson Matthey's chairman, at the company's annual meeting yesterday. The AGM coincided with publication of Johnson Matthey's first-quarter results, showing pre-tax profits down 25 per cent from \$6m to \$4.5m. Last year's figures have been restated to reflect the subsequent sale of JMB to the Bank of England for £1 in a major rescue operation.

JMB is already claiming damages and interest for alleged breach of contract and/or negligence against Arthur Young in the firm's former capacity as auditor and accountant of the Johnson Matthey group.

Mr Clarke told the AGM that Johnson Matthey itself expected to issue proceedings against Arthur Young in the near future. He said both Johnson Matthey and JMB felt there were substantial grounds to be pursued by co-operating in the prosecution of the two claims and the conduct of the litigation.

The AGM turned out to be a relatively low-key affair, though several people expressed views similar to Mr Ian Jessiman, a private shareholder, who said the action against Arthur Young



Mr Neil Clarke, chairman

"should not just throw a smoke-screen over the affair and not find out what went wrong in the first place."

The first quarter figures showed an operating profit from continuing operations of \$9.2m (£6.5m), with profits of associated companies down by \$0.8m to \$1m due to the sale of the group's 50 per cent interest in Universal-Matthey Products.

There was a net interest charge of \$2.5m (\$0.5m higher than last year), and a tax charge

of £1.8m (£420), leaving net profits of \$2.2m (£2m). There was a net extraordinary gain of £1.8m (£41), with benefits from the sale of UMP partly offset by rationalisation and reorganising costs. Basic earnings per share were 2.4p (1.8p).

The company said demand for platinum, from almost every sector of industry served, remained strong in the quarter but lower metal prices reduced commissions. Sales of car catalysts in the U.S. had increased. Precious metal refining in the UK showed increased activity, although weak metal prices reduced margins.

As for the outlook, the company said the major new financing agreement Johnson Matthey reached last month would enable it to pursue improvements from a secure base.

"Some problem areas remain, which continue to receive close attention, in particular certain aspects of precious metals refining," it added. "There is considerable scope for additional improvements in efficiency, profitability and the level of borrowings, although further reorganisation will be necessary."

Mr Eugene Anderson, the new chief executive, told the AGM that the company had "turned the corner" but still had a way to travel to restore full profitability.

BASE LENDING RATES

A.B.N. Bank	11 1/2%	Hambros Bank	11 1/2%
Allied Dunbar & Co.	11 1/2%	Heritable & Gen. Trust	11 1/2%
Allied Irish Bank	11 1/2%	Hill Samuel	11 1/2%
American Express BK.	11 1/2%	H. Hoare & Co.	11 1/2%
Bank of America	11 1/2%	Hongkong & Shanghai	11 1/2%
Bank of Canada	11 1/2%	Johnson Matthey Bkrs.	11 1/2%
Bank of Ireland	11 1/2%	Knowles & Co. Ltd.	11 1/2%
Bank of London	11 1/2%	Lloyds Bank	11 1/2%
Bank of Montreal	11 1/2%	Edward Manson & Co.	11 1/2%
Bank of New York	11 1/2%	Meghard & Sons Ltd.	11 1/2%
Bank of Paris	11 1/2%	Midland Bank	11 1/2%
Bank of Scotland	11 1/2%	Morgan Grenfell	11 1/2%
Bank of Spain	11 1/2%	Mount Credit Corp. Ltd.	11 1/2%
Bank of Sweden	11 1/2%	National City of Kuwait	11 1/2%
Bank of Switzerland	11 1/2%	National Girobank	11 1/2%
Barclays Bank	11 1/2%	National Westminster	11 1/2%
Beneficial Trust Ltd.	11 1/2%	Northern Bank Ltd.	11 1/2%
Brit. Bank of Ind. East	11 1/2%	Norwich Gen. Trust	11 1/2%
Brit. Bank of Mid. East	11 1/2%	People's Trust	11 1/2%
Brit. Bank of N. East	11 1/2%	PR Finance Int. (UK)	11 1/2%
Brit. Bank of S. East	11 1/2%	Provincial Trust Ltd.	11 1/2%
Brit. Bank of W. East	11 1/2%	R. Raphael & Sons	11 1/2%
Brit. Bank of E. East	11 1/2%	Roxburgh Guarantee	11 1/2%
Brit. Bank of F. East	11 1/2%	Royal Bank of Scotland	11 1/2%
Brit. Bank of G. East	11 1/2%	Royal Trust Co. Canada	11 1/2%
Brit. Bank of H. East	11 1/2%	Standard Chartered	11 1/2%
Brit. Bank of I. East	11 1/2%	T.C.B.	11 1/2%
Brit. Bank of J. East	11 1/2%	Trustee Savings Bank	11 1/2%
Brit. Bank of K. East	11 1/2%	United Bank of Kuwait	11 1/2%
Brit. Bank of L. East	11 1/2%	United Bank of Oman	11 1/2%
Brit. Bank of M. East	11 1/2%	Westpac Banking Corp.	11 1/2%
Brit. Bank of N. East	11 1/2%	Whiteway Ltd.	11 1/2%
Brit. Bank of O. East	11 1/2%	Williams & Glyn's	11 1/2%
Brit. Bank of P. East	11 1/2%	Yorkshire Bank	11 1/2%
Brit. Bank of Q. East	11 1/2%	The Cyprus Popular Bank	11 1/2%
Brit. Bank of R. East	11 1/2%	Duncan Lawrie	11 1/2%
Brit. Bank of S. East	11 1/2%	E. T. Trust	11 1/2%
Brit. Bank of T. East	11 1/2%	Essex Trust Ltd.	11 1/2%
Brit. Bank of U. East	11 1/2%	Financial & Gen. Sec.	11 1/2%
Brit. Bank of V. East	11 1/2%	First Nat. Fin. Corp.	11 1/2%
Brit. Bank of W. East	11 1/2%	First Nat. Secs. Ltd.	11 1/2%
Brit. Bank of X. East	11 1/2%	Robert Fleming & Co.	11 1/2%
Brit. Bank of Y. East	11 1/2%	Robert Fraser & Ptns.	11 1/2%
Brit. Bank of Z. East	11 1/2%	Guinness Mahon	11 1/2%

VG Instruments soars to £4.4m

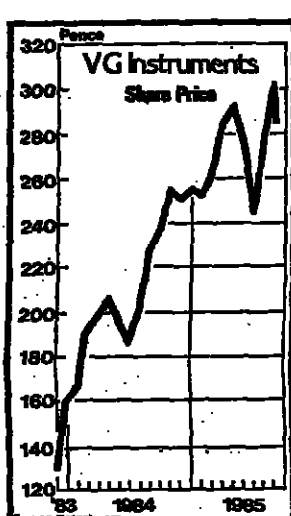
VG Instruments attained a 28 per cent increase in first half pre-tax profits and a restated £21.7m to £28.8m, and at the pre-tax level profits surged by £948,000 to £4.37m.

Earnings came through 1.5p ahead at 3.7p per share and the interim dividend is being raised from 0.6p to 0.7p.

VG, a manufacturer of scientific instruments, is 60 per cent owned by Grovewood Securities, itself a subsidiary of BAT Industries. Grovewood was acquired by BAT in 1983 as part of its takeover of Eagle Star. Earlier this month, BAT said it was planning to dispose of Grovewood but it apparently was excluding VG from the sale.

VG, with a market capitalisation of some £145m, was floated on the stock market two years ago. Last year VG announced plans to expand production both for increased volume and to sustain the policy of separating small businesses to identify with a market and to encourage highly motivated teams.

comment In spite of the problems of the electronics sector, VG has



turned in another very good result and all looks set for the total at the year end to reach £13.5m. The market seems to have been in the channel of response with the share falling 8p to 284p. It may be, however, that this reflects uncertainty over BAT's intentions as far as its almost 70 per cent stake in VG is concerned. The very special structure of VG in which staff have meaningful stakes in the many subsidiaries would be

placed at risk if a sale was to take place to one or two interested parties, even to one just intent on linking — or breaking — VG up to fit in with an existing corporate structure. VG will not be included in the sale of Grovewood Securities but recent moves by BAT do not reassure on its future.

Grand Met Grand Metropolitan, which last month launched a \$386m (£294m) agreed bid for Pearl Health Services, the U.S. eye-care services retailer, has now acquired 99 per cent of the company's share capital. Pearle is expected to become a wholly-owned subsidiary by the end of October.

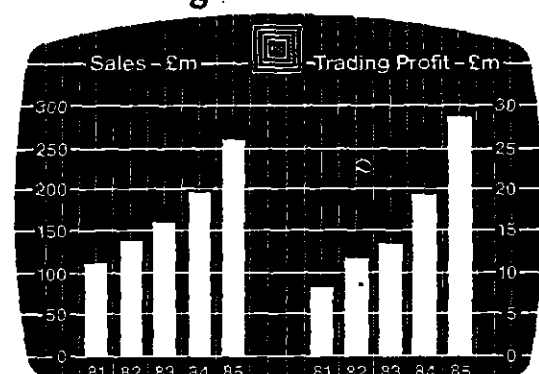
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In the UK, Business Press International publishes over 90 business and specialist consumer titles amounting to some 75 million copies each year, and is the largest business publisher in Europe. Last year we launched seven new titles, and earned £70 million in advertisement revenue.

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UK and US Journals: 5-year growth.

their 12th consecutive year of increased profit. The 34 business titles serve the strongest and fastest-growing sectors of the US economy. They are read by six million executives and managers, and attract advertising from 15,000 business firms.

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NURDIN & PEACOCK

THE Cash and Carry WHOLESALE



Interim Report for 6 months ended June 1985

Sales and profits advance

	Half year ended	52 weeks ended
	29th June 1985	29th December 1984
	£000	£000
Turnover	332,425	284,735
Profit before taxation	3,999	3,491
Taxation	1,663	767
Profit after taxation	2,336	2,724
Earnings per ordinary share		
Before tax	5.3p	4.7p
After tax	3.1p	3.7p

Interim dividend 1.85p per share (1984 — 1.35 p per share), payable on 30th October 1985 to members registered at close of business on 29th September 1985.

The figures for the two half years are restated. The higher taxation charge this year is mainly due to the cessation of stock relief, which amounted last year to £259,000. There was also relief of £143,000 for a building in an enterprise zone.

*After adjusting for scrip issue.

I am pleased to announce the increase in sales and profits for the first half. These were helped in all departments by the Double Jubilee promotional activity and the further success of our Red Band cigarettes. I can also report a sales increase since June averaging 19%; however, I would remind shareholders of my comment at the AGM that comparisons now will be with the very successful sales last year following the launch in July, 1984, of Red Band.

There is no let up in competition and I should like to take this opportunity of thanking our Staff for their very considerable efforts and for the wonderful team spirit that exists in N & P.

The new branch at Gloucester and replacement at Colchester has both started well and the extension at Watford should be making a contribution to the sales very shortly. The new branch at Wolverhampton is on target for opening early next

year and other sites are at an advanced state of negotiation.

We commissioned this year a series of business development films for our retailer customers and the response has been excellent. The seminars being run by our branches are almost fully booked for the remainder of the year and customers who have already taken part are reporting increased sales as a result of changes they have made.

With the growth in the Group, we are now planning to streamline our corporate structure. Nurdin & Peacock PLC will be the holding company with a subsidiary company, Nurdin & Peacock Cash & Carry Ltd., covering the major trading activities. It is intended that this will be effective at the beginning of our next financial year on 8th January 1986.

W.M. Peacock, Chairman

Head Office: Bushey Road, Raynes Park, SW20 0JJ. Tel: 01-846 9111

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UK COMPANY NEWS

Reckitt advances 16% to £58m

FIRST-HALF 1985 results of Reckitt & Coleman have supported the optimism expressed by the chairman at the annual meeting in May. Pre-tax profits climbed by 16 per cent from £48.73m to £57.73m, while sales increased by 21.7 per cent to £563.45m, against £455.3m.

Airwick, which was consolidated dated from March 1, contributed £70.4m of sales and a benefit to pre-tax profits of £1.5m. Group results were affected by exchange rate changes which benefited sales by £11.2m, but reduced profits by £1.3m.

Sir James Cleminson, the chairman, says that with current volatile exchange rates, it is more difficult than usual to predict the outcome for the year. However, given the strength of group brands and the worldwide spread of its operations, he remains confident.

Substantial progress has been made in the integration of Airwick, while continued advances have been made in the rest of Reckitt & Coleman's business.

All regions, with the exception of Africa and Latin America, showed increased profits. The U.S. food business improved profitability and this was accompanied by smaller development

costs in the household product business.

Tax charge was lower at £22.52m (£22.51m) mainly due to higher U.S. profits, where loss



Sir James Cleminson, chairman of Reckitt

(£5.5p). Last year's total was 14.5p on £106.4m pre-tax profits.

The chairman points out that as already reported, Reckitt and Coleman Australia showed an

PRE-TAX PROFITS BY PRODUCT	
	First half
	1985
	(£m)
Household & toiletry	24.49
Food & wine	17.25
Pharmaceutical	11.51
Colours	3.39
Industrial cleaning	0.92
Leisure	0.79
Total	58.35

BY GEOGRAPHICAL AREA	
	1985
	(£m)
UK domestic	12.47
UK export	5.41
Europe (non-UK)	4.42
North America	5.62
Australasia & Asia	16.10
Africa	7.14
Latin America	2.39

† Deduct corporate interest and expenses £8.52m (£1.98m).

interim sales growth of only 6.9 per cent. The disposal of the cleaning business was a contributory factor and, taking this

Dubilier disposal will cut loans

Dubilier, the electrical components manufacturer, has sold its wholly-owned U.S. subsidiary, Flight Connector Corp., to Transcendental Corporation based in California. The sale, satisfied by \$5.23m cash (\$4m), will help reduce Dubilier's credit facilities. Flight's pre-tax profit for the year to end-September was \$200,000 but it has been operating at a loss in the current year.

MK Electric

MK Electric, the electrical wiring accessories and fire alarm manufacturer, owns or has acceptances from holders of 99.37 per cent of Friedland Doggart, Britain's leading door chime maker.

Automated Security

Automated Security Holdings received acceptances from holders of 31.53 per cent of Security Centres (Holdings) by Tuesday's second closing date on its agreed £24m takeover bid.

This took its total holding to 38.31 per cent, including the 4.78 per cent it previously owned. The bid has been extended to September 27.

Watson & Philip

Watson & Philip has conditionally agreed with Lonsdale and Thompson, a subsidiary of Union International, to acquire the businesses, goodwill and certain trading assets of two cash and carry outlets in Edinburgh and Morpeth.

Pentland

Pentland Industries, which has seen profits soar from American sales of sporting footwear, has agreed in principle to buy the Bernardo brand ladies fashion shoe and importing business of R. G. Barry, operating out of the U.S. state of Ohio.

Pifco purchase

Pifco has paid £1.48m cash for International Salton Holdings N.V., manufacturers of electrical products and a major UK dealer in filter coffee makers and hot trays.

Trade Indemnity claims reach £14.1m

MR PETER DUGDALE, chairman of Trade Indemnity, states that claims made in the first half of 1985 on all three underwriting accounts, at just under £14.1m, were in excess of the £13m paid in the same period of 1984, and remained well above the comparable figures for earlier years.

In the same way, the number of business failures notified to the company so far in 1985 has remained very much at the level of 1984, although the figures for July show a sharp reduction.

He says that aided by the uncertain economic climate and by some well-publicised failures, the group's marketing efforts have resulted in record new business figures so far in 1985. Projected annual premium income on new policies issued in the first three months of the current year was nearly 21 per cent up on the total for the comparable period.

Premiums written on the three open underwriting accounts in the first half of 1985 totalled £21.81m, a 17.5 per cent increase.

The 1985 underwriting account at June 30 1985, after making provision for all known claims, showed a credit balance of £4.96m. This compares with a credit balance of £708,785 on the 1984 underwriting account a year earlier.

The 1984 underwriting account showed, June 30, 1984, a credit balance of £81.6m, after making provision for all known claims. The credit balance on the 1983 underwriting account at the same date a year earlier was £5.35m.

Mr Dugdale says that Trade Indemnity Australia continues its steady overall growth, although the relative strength of the pound in recent months had led to the contribution of the Australian performance being diluted in sterling terms.

In general, he adds, the prospects for 1985 remain as favourable as expressed in his March statement.

The directors are lifting the interim dividend from 3.75p to 4.25p. A total of 8.485p was paid in 1984.

Sirdar increases profits by 6% for the year

Sirdar, manufacturer of hand-knitting yarns, based in Wakefield, West Yorkshire, increased pre-tax profits by 5.5 per cent to £9.53m in the year to June 30 1985 compared with £9m a year earlier.

Mrs Jean Tyrrell, chairman, says sales of the Sirdar brand increased, especially in the second-half, when the spring promotion was well received, producing profits in line with expectations.

However, sales of the Hayfield brand were disappointing in the last few weeks of the year. This and some write-down of the stock produced a result that was worse than expected.

The final dividend is being raised 0.5p to 3.25p, making a total of 4.15p (5.25p).

Turnover was up to £36.5m (£33.12m). Operating profits were £9.08m (£8.38m). Interest received and other income added £475,000 (£245,000). Tax deductions were £2.5m (£2.5m), leaving profits of £5.08m (£5m). Earnings a share were 12.57p against 12.52p.

comment

Sirdar shareholders will be less

disappointed than the City with yesterday's figures. The company has been criticised for a number of years for its parsimonious dividend policy, and the 40 per cent increase will be welcomed.

It will not have escaped critics that the 4.15p payment is still covered more than three times by earnings, and that the group was still able to bank more than £4m. Suggestions of a further 10 per cent rise this year may calm them. The trading results were not as good as expected from a company with a consistent record of profit growth, and even allowing for the estimated £0.2m write-down on old stock and a similar profit shortfall from Hayfield, the company would not have met the consensus.

In the Hayfield case, where the wholly owned subsidiary is in direct competition with its parent, one wonders about the benefit of continuing with the separate operation at all. The good news comes from current trading, where, because of the poor summer, people are getting the knitting season out earlier than usual. The shares, down 13p to 118p yesterday, trade on a multiple of 9.5p.

BOARD MEETINGS

TODAY	
Interlimes Applied Middle, Bridon, Burnish Oil, Connells Estate Agents, Desoutter Brothers, James Fisher, Fitch and Co, General South, General Mining Union Corporation, Grosvenor, Harman, Gold Mining, Hapworth Ceramic, Huntleigh Technology, Jaguar, John Laing, London United Investments, MCD, Morgan Crucible, New London Properties, Offield Inspection Services, Forwardline International, Frudential, Royal Dutch Petroleum, H. Samuel, Sedgwick, Shell Transport and Trading, J. W. Speer, Turner and Newall, United Biscuits.	
FUTURE DATES	
Interlimes Applied Middle	Sept 25
Cooper Industries	Sept 18
Crowther (John)	Sept 13
Forwardline International	Sept 18
Scottish Heritage Trust	Sept 18
Smith, Dwyer	Oct 16
Amalgamated	Oct 10
Arrol-Johnston	Sept 22
Peters (Michael)	Sept 20
Zetters	Sept 17

Public Works Loan Board rates

Effective September 11	
Years	Quota loans repaid at maturity
	by EIP†
1	11
Over 1, up to 2	11
Over 2, up to 3	11
Over 3, up to 4	11
Over 4, up to 5	11
Over 5, up to 6	11
Over 6, up to 7	11
Over 7, up to 8	11
Over 8, up to 9	11
Over 9, up to 10	11
Over 10, up to 11	11
Over 11, up to 12	11
Over 12, up to 13	11
Over 13, up to 14	11
Over 14, up to 15	11
Over 15, up to 16	11
Over 16, up to 17	11
Over 17, up to 18	11
Over 18, up to 19	11
Over 19, up to 20	11
Over 20, up to 21	11
Over 21, up to 22	11
Over 22, up to 23	11
Over 23, up to 24	11
Over 24, up to 25	11
Over 25	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

PNC Financial Corp
U.S. \$100,000,000
Floating Rate Subordinated Notes
Due 1997

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period 12th September, 1985 to 12th December, 1985 has been fixed at 8 1/2% per annum. Interest payable on 12th December, 1985 will be U.S. \$213.28 per U.S. \$100,000 Note.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross Yield	% Actual	Fully
146	123	Ass. Brit. Ind. Ord.	132	—	8.8	5.0	7.3
181	138	Ass. Brit. Ind. C.P.S.	138	—	10.0	7.2	—
77	43	Airprug Group	56	+1	8.4	11.4	9.3
42	26	Armstrong and Rhodes	41ad	—	4.3	10.5	5.1
159	108	Barton Hill	154	—	4.0	2.8	19.3
84	42	Bry Technology	63	—	3.9	8.2	7.7
182	104	CCL Type Com. Pl.	104	—	12.0	7.6	3.9
130	10	Carborundum Ord.	121	—	4.8	4.0	6.0
30	85	Carborundum 7.5pc Pl.	80	—	10.7	11.9	—
487	182	Deborah Services	47	—	9.5	13.8	4.5
280	170	Frank Horrell Pr. Ord.	481	—	1.4	0.3	11.3
32	23	Frederick Parker	320	—	11.8	3.1	9.2
82	33	George Blair	23	+3	—	—	3.3
80	20	Ind. Precision Castings	24	—	2.7	11.3	6.8
218	177	Isis Group	182ad	—	15.0	8.2	14.0
124	101	Jackson Group	104	—	6.5	5.2	7.0
225	215	James Burrough	220	—	15.0	6.5	7.2
84	83	James Burrough SpcPl.	82	—	12.5	14.0	—
96	71	John Howard and Co.	84	—	5.0	8.0	6.7
225	100	Linguaphone Ord.	105	—	6.4	8.1	10.5
100	91	Linguaphone 10.5pc Pl.	91	—	6.9	1.2	24.9
850	300	Minihouse Holding NV	570	—	—	—	2.7
120	31	Robert Jenkins	85	—	—	—	24.3
80	28	Scruttons "A"	31	—	—	—	7.9
82	81	Torrey and Carlisle	75	—	8.0	8.7	3.8
444	225	Trevian Holdings	325	—	4.2	1.2	18.5
34	17	Unilock Holdings	33ad	—	2.1	6.4	9.0
113	81	Walter Alexander	110ad	—	8.8	7.7	8.2
247	185	S. Yates	185	—	17.4	8.3	5.8

Prices and details of services now available on Prestel, page 48146

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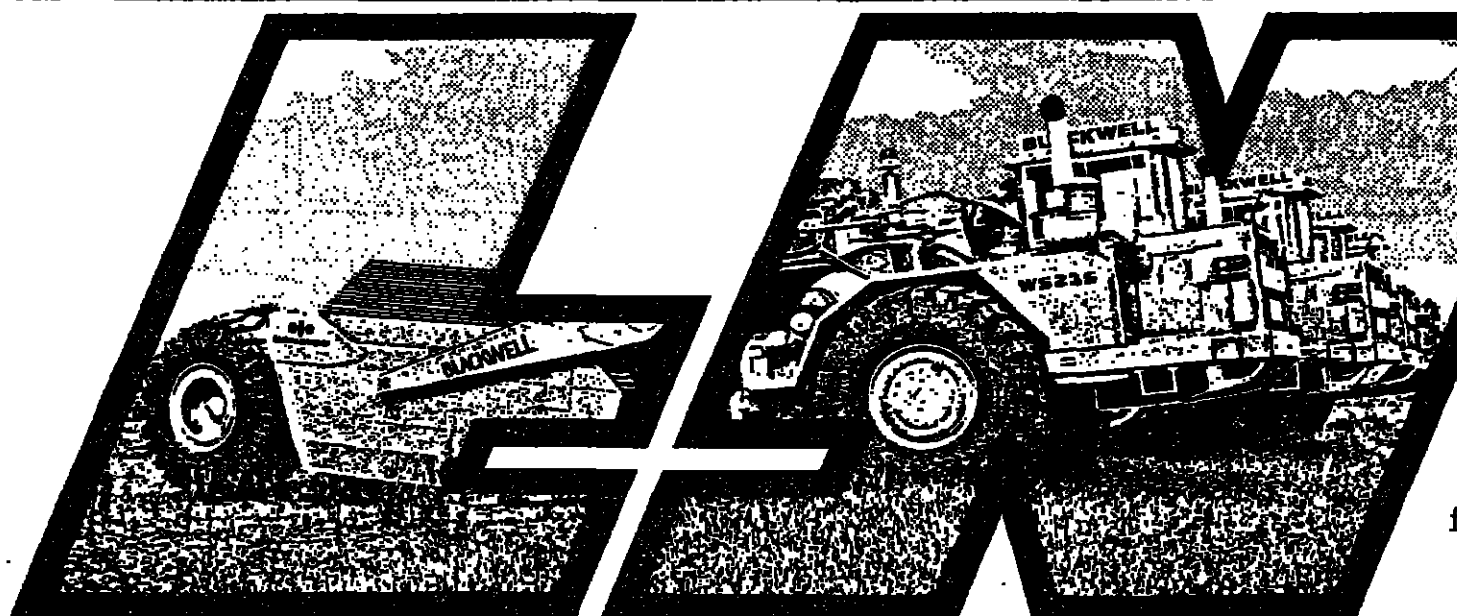
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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 12th September, 1985 to 12th March, 1986 has been fixed at 8 1/2% per annum and that the coupon amount payable on coupon no. 8 will be U.S.\$223.11.

The Sumitomo Bank, Limited
Fiscal Agent



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suppliers of specialist personnel to the North Sea oil industry; Steel Stockholders, Britain's leading steel profiler; Edenhall, Britain's leading manufacturer of concrete facing bricks; and Weatherseal Windows, pioneers in domestic double glazing.

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UK COMPANY NEWS

Property sales help push Costain profit up 44%

A 27.7m jump in property sales helped to boost the pre-tax profits of Costain Group by 44.8 per cent to £24.8m in the six months to June 30 1985 compared with £17.25m last time. Turnover was up 14.5 per cent to £419m (£369m).

Mr Terrell Wyatt, chairman, says exchange rate fluctuations cut turnover by £40m and profits by £2.5m when translating the results of its overseas companies into sterling.

This compares, he says with increases of 283m in turnover and 24m in profits for the whole of 1984. In view of the fluctuations "consideration will be given to calculating full-year results on the basis of average, instead of end-of-year, exchange rates."

Costain, which is involved in contracting, mining, housing and property, is lifting its interim dividend to 6.5p (8p).

Profits on general trading were up to £21.15m (£18.5m). Net income from rents of land and

buildings was lower at £2.85m (£2.99m) but profits on property sales rose sharply to £7.83m from £125,000.

Mr Wyatt says, however, that property sales are uneven in their timing and second-half results are not expected to match these.

Interest payments rose to £5.7m (£4.31m), leaving profits of £18.1m (£12.94m). Minority interests took £3.44m (£2.52m) and there were extraordinary credits of £12,000 (£22,000). Earnings a share were 21.1p against 15p.

Profits from mining increased, says Mr Wyatt, with particularly satisfactory results from Industrial Fuels Corporation of Detroit, purchased earlier this year.

There was less profit from contracting, reflecting competition worldwide. UK housing sales increased.

● comment

Costain's interim confirms the group's development as a three-

legged creature with coal mining and housing/property sharing the limelight with the once dominant contracting. By the end of 1986 this trend should be firmly established even in terms of turnover following the purchase of IFC, which in a full year should produce £15% in sales.

While the position of Australian coal depends partly on the weakness of the local dollar the U.S. coal market seems stronger and less cyclical. The change over to average exchange rates at the year end will also help reduce the impact of currency volatility and has persuaded analysts that 1985 pre-tax should be possible. Costain is going to have to live with a bit of debt as it moves away from the emphasis on contracting but £15m in interest payments, or a 20 per cent gearing, will not frighten the market once it takes the shift on board. The shares, up 2p at 480p, look undervalued on a prospective multiple of 7½ given a 27 per cent tax charge.

AB Ports in profit at £4m and recovery continues

FOLLOWING LOSSES of £10.2m incurred in the second half of 1984 Associated British Ports Holdings has made a turnaround in the first half of 1985, and lifted pre-tax profits by 5.3 per cent over the comparable period.

As Mr Keith Stuart, the chairman, indicated to shareholders in May, the first two months of the year were affected by the coal strike. This, together with labour problems at Southampton, has resulted in a lower turnover of £66.5m for the six months to end-June, compared with £76.2m.

Despite this, profits at the operating level rose from £3.5m to £4.1m after voluntary severance and other exceptional items. With investment income lower at £0.3m (£0.6m) and interest charges higher at £1.2m (£0.7m), pre-tax profits emerged £0.2m ahead at £4m.

The group, formerly British Transport Docks Board, has achieved a strong and widely-distributed recovery in trading performance since early March, the chairman says, and based on this prospects for the second half are encouraging.

The directors are lifting the interim dividend from 5p to 5.5p. In 1984, with losses of £6.4m, dividends totalled 8.5p. Net earnings for this half are shown 0.3p higher at 7p per share.

On developments at the ABP group of ports, Mr Stuart states that coal traffic has recovered well since the end of the strike, and this has particularly benefited the west coast ports of Ayr and Garston.

Trading at a number of other ports, including Falmouth, has been at a high level, and at Southampton lower costs and improved productivity have led major customers to return to the Prince Charles Container Port.

At Hull an agreement has been reached on the provision of a new terminal to meet the expanding needs of the

passenger and freight services to Rotterdam and Zeebrugge operated by North Sea Ferries. The chairman says that further progress is being made in reducing costs. Voluntary severance costs in the first half cover manpower reductions in South Wales, which will lead to lower operating costs in the second half.

Although severance costs in the first half accounted for most of the rise in exceptional items to £2.7m (£1.3m), for the full year the figure will be much lower than the £8.6m paid in 1984, he says. That figure included heavy severance costs at For the half year tax took £1.2m (£1.1m), to leave attributable profits of £2.8m (£2.7m).

● comment

Now that the hump of severance payments has finally been passed, Associated British Ports is looking forward to a future less dominated by cutbacks and industrial strife and more on expansion. The workforce has been cut from 9,250 at privatisation in 1983 to 6,800. Almost as important, the gloomy forecasts made during the miners' strike of a permanent loss of overseas sales have not been fulfilled and coal exports are back up to pre-strike levels. At Southampton container handling costs are now comparable with Rotterdam and business that was diverted during the miners' strike in that port has returned. The properties freed by the two year rationalisation programme look set to become part of a new above the line accounting item for the group. An 8 to 10 year property disposal programme involving joint ventures for development should see rental incomes rising in time. For the full year £17m pre-tax seems likely (provided severance stays below £5m) which, on a 30 per cent tax charge, leaves the shares at 808p a little undervalued on a prospective p/e of 10½.



ATLANTIC Computers Plc

Results for the period 1st January to 30th June 1985

	6 months ended 30.6.85 1985	6 months ended 30.6.84 1984	Percentage increase	12 months ended 31.12.84 1984
Turnover	55,605	32,453	+71%	96,122
Group Profit before taxation	7,035	3,826	+84%	10,515
Profit attributable to shareholders	6,779	3,625	+87%	9,821
Group consolidated net assets	27,974	17,152	+63%	22,057
Issued share capital	3,960	3,960		3,960
Earnings per share	17.12p	9.15p	+87%	24.80p

John Foulston, the Chairman, reports:

- * Pre-tax profits up 84% compared with the first half of 1984.
- * Interim Dividend of 0.75p (net) per share to be paid.
- * Further capitalisation issue of 1 new share for every 3 existing shares with maintained dividend proposed.
- * An excellent first half with good progress being made by all Group companies.
- * Further satisfactory reduction in the proportion of net profits represented by residual interests. Strong liquidity maintained.
- * Eight orders placed with Atlantic Computer Systems for the new IBM Sierra machines, several of which are to be delivered later in the year.
- * The Group's computer systems and leasing expertise significantly extended into Digital Equipment Corporation (DEC) computer systems through the successful acquisition of Computer Systems Developments.
- * Atlantic Medical awarded the contract for the first private Magnetic Resonance (NMR) Scanning Centre in the UK.
- * Lion Systems Developments obtained major contract with British Telecom for data communications products.
- * Superb first half performance by the Group's recently opened IBM computer systems subsidiary in France.
- * Continuing strong demand for all the Group's services and products.

"The first half of the year has gone very well - the prospects for the remainder of the year are excellent"

Atlantic Computers Plc, Atlantic House, Red Lion Court, London EC4A 3EB.

New titles push up profits at Haynes Publishing

ANOTHER RECORD year in terms of financial performance and publishing activity is reported by Haynes Publishing Group for the 12 months to May 31 1985. Pre-tax profits climbed by 24 per cent from £13.7m to £17.1m, and turnover was up from £7.97m to £9.43m, an increase of 18 per cent.

Mr John Haynes, the chairman, commenting on the results, says a total of 288 new titles, including 56 second editions, were added to the group's backlist during the year, including 82 bought-in titles.

Sales and profits from all the publishing imprints improved with the exception of the Oxford Illustrated Press, which suffered from a range of problems. These have now been resolved. Successful negotiations led to the purchase of 64 titles on the Frederick Warne transport list from Penguin Books, and these will now be marketed and republished under the C. T. Foulis imprint, Penguin retaining the Warne name for all other titles on the latter's backlist.

Increasing sales have resulted in the decision to increase the production and printing area at the main Sparkford site in Somerset. This should provide sufficient capacity to cope with the planned increase in demand, both at home and abroad, for the next three years.

Mr Haynes says the group is

currently ahead of budget. The final dividend is raised from 8.5p to 9p for an increased total of 13p (15.5p). Stated earnings per 20p share rose from 16.39p to 19.42p.

● comment

Haynes' shares fell 40p to 335p yesterday in response to a 24 per cent profits jump. There had been some overvalued forecasts around but the reaction had more to do with the disappointing profits from the U.S. But a new executive has gone in and that performance should change. The number of cars on the road in the U.S. obviously outnumbers the UK and, to Haynes' advantage, the cars are older on average. Yet to date Haynes Inc has been hampered by a lack of domestic manuals. Its presence has been built by selling on UK written manuals to cover imports of European and Japanese models. Now, however, it has put together a good range of books on U.S. cars and is in a position to break into the big retail chains. It may be already number two in the market but with a 18 per cent share (against its dominant 58 per cent in the UK) there is plenty to go for, especially if the competition's manuals are as inferior as Haynes claims. Within three years U.S. sales should double if the profits do not do better the new executive will have failed.

Blockleys over £1m with better margins

Blockleys, the Telford-based brick manufacturer, earned over £1m in the first six months of 1985 and has lifted the interim dividend by 25 per cent to 10p.

With the taxable result up from £760,000 to £1.1m, Mr T. Wright, the chairman, says, the result reflects increases in the sales of higher margin products.

Turnover rose by just over 14 per cent to £3.5m while trading profits registered a near 30 per cent improvement from £788,000 to £1,022m—there were interest charges last time of £28,000.

Earnings per share were up from 28.21p to 27.65p after tax of £383,500 (£330,000). Regarding prospects, the chairman says second half profits are expected to be similar to last year's £896,000 after taking account of commissioning costs, including interest, of the new No. 6 factory, which has not been constructed.

London Park at £0.58m

Better trading levels than had been anticipated enabled London Park Hotels to more-than-double its first half pre-tax profits, the second half should also show an improvement.

The profits, up from £238,000 to £582,000, were attained from a turnover of £915,000 ahead at £326m—the group's hotels take in the Grand, the London Park, the Plaza, the Royal Angus and the Mill.

The results reflect only five months' contributions from the Royal Angus and the Plaza—both were acquired early this year. In addition, the Grand was closed for most of the first six months, although the first phase of the modernisation programmes both here and at the London Park completed in time for the summer season.

In the latter part of 1984 Rushlake Hotels raised its stake in London Park Hotels (formerly Rowton Hotels) to 75 per cent.

LADBOKE INDEX
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F. COPSON P.L.C.

Results in brief	1985	1984
	£	£
Group Turnover	6,800,289	6,559,108
Profit before Tax	113,213	190,280
Dividends paid	54,000	54,000
Earnings per 5p share	1.79p	4.00p

- * During the latter part of the year contract orders were in decline. In view of this we obtained low margin business which, although covering costs, left very little net profit.
- * Dividend maintained, without drawing on reserves.

66 We are seeking to improve our site at Spring Lane which will enable us to trade more effectively and I am determined our profits will be put back to the level to which shareholders have become accustomed. 99

F. Copson,
Chairman & Managing Director

ACTIVITIES: Suppliers of heating equipment and plumbing and sanitaryware goods. Installers of warm air heating equipment.

Erdington - Birmingham

TRADE INDEMNITY INTERIM REPORT

BY THE CHAIRMAN, MR. PETER DUGDALE, ON THE SIX MONTHS ENDED 30 JUNE 1985

The Directors have declared an Interim Dividend of 4.25 pence per Ordinary Share in respect of the financial year which will end on 31 December 1985.

UNDERWRITING ACCOUNTS

PREMIUMS WRITTEN on the three open Underwriting Accounts in the first half of 1985 totalled £31,509,162, an increase of 17.5 per cent on the comparable figure for the first half of 1984.

THE 1985 UNDERWRITING ACCOUNT at 30 June 1985, after making provision for all known claims, showed a credit balance of £4,955,883. This compares with a credit balance of £753,735 on the 1984 Underwriting Account at the same stage a year earlier.

THE 1984 UNDERWRITING ACCOUNT showed, at 30 June 1984, a credit balance of £6,165,420, after making provision for all known claims. The credit balance on the 1983 Underwriting Account at the same stage a year earlier was £5,350,468.

UNITED KINGDOM

Claims paid in the first half of 1985 on all three open Underwriting Accounts, at just under £14.1 million, were in excess of the £13 million paid in the same period of 1984 and remained well

above the comparable figures for earlier years. In the same way, the number of business failures notified to the Company so far in 1985 has remained very much at the level of 1984, although the latest figures for July showed a sharp reduction.

Aided by the uncertain economic climate and by some well-publicised failures, our marketing efforts have resulted in record new business figures so far in 1985. Projected annual premium income on new policies issued in the first six months of the current year was nearly 21 per cent up on the total for the comparable period of 1984.

GENERAL

Trade Indemnity Australia Limited continues its steady overall growth. But the strength of the pound in recent months had led to this contribution being diluted.

In general, the prospects for the Company in 1985 remain as favourable as those expressed in my March Statement.

Trade Indemnity Credit Insurance

Trade Indemnity plc
Underwriters of Credit Insurance since 1918

A B.A.T INDUSTRIES REPORT

Extracts from the interim results for the six months to 30th June 1985

Dividend up 17% despite currency changes

Group Results

	Half year to June 1985	Half year to June 1984
Pre-tax profit	£449m	£594m
Attributable to B.A.T Industries	£249m	£339m
Dividend per share	4.75p	4.05p

£1=£1.403 at 23.8.85 (£1.159 at 31.12.84).

Group results have been adversely affected on translation into sterling by some £118 million before tax in the first half of 1985 as a result of the exceptional strong impact of currency fluctuations. Many of the currencies in which we do business weakened against the pound, including the US and Canadian dollars as well as the Deutschmark.

Had exchange rates remained unaltered, we would now be reporting profit lower by 5 per cent at pre-tax and 6 per cent at attributable level. These results are still disappointing. Above all they reflect the unexpected setbacks which we in common with our competitors have suffered in two important areas of business—US retailing, where a hoped-for recovery in the market failed to materialise, and UK insurance, where claims experience has been very adverse.

As a result of these developments the Group's pre-tax profit was down 24 per cent, at £449 million for the half-year, while attributable earnings were 27 per cent lower at £249 million. It should be borne in mind that the interim results also reflect substantial changes in the composition of the Group. Cosmetics and food retailing are out, while Allied Dunbar has joined the Group and Horten is consolidated for the first time. Interest charges are therefore substantially higher.

An encouraging feature of the half year was a further 1.3 per cent increase in

our worldwide Tobacco volume, which again matched our confidence in the future of our major business activity and led to an increase in operating profit before currency fluctuations. For the first time for some years Brown & Williamson increased its market share, with gains in economy-priced brands, but its profits were affected by higher advertising costs. In Brazil a substantial improvement in cigarette volume and leaf exports brought a 7 per cent profit increase in dollar terms. Exports from the UK grew strongly in volume and profits, but margins in Germany came under severe pressure.

Paper had an excellent half year, with Wiggins Teape showing a 35 per cent increase in sterling profit. Appleton achieved record sales but profits were affected by the costs of expansion at West Carrollton.

In Retailing, Argos and Marshall Field achieved very pleasing increases in both turnover and profit. Our other US retail companies also generally gained in sales but suffered a significant decline in profit, in common with other major US retailers. Horten made headway against the overall trend in Germany.

Overall profit was down in Financial Services. Eagle Star's strong growth in general insurance business continued, but its profit contribution was down from £7.0 million to £1.9 million, the deterioration coming mainly from substantial

underwriting losses on motor and property insurance in the UK and a lower investment performance worldwide. Allied Dunbar achieved further record levels of new business and in five months contributed £22 million to Group profit.

Associated Companies had an excellent half year, with very good results in Canada, Australia and Denmark.

Overall cash flow from operations was very positive, and this together with the disposals (including the recent sale of our packaging interests) is expected, on present trends, to bring the Group's gross debt/equity ratio down close to 50 per cent by the year end.

PROSPECTS

Exchange rates, particularly the US dollar, will continue to be the principal factor in determining the results of the Group for the year.

This report, I expect our tobacco and paper businesses to continue to show improved results. However, the outlook for retailing in the US remains uncertain and Eagle Star's results for the full year will be depressed mainly by the adverse UK conditions, in spite of increased levels of business. Allied Dunbar will continue to progress. The net interest charge will be substantially up for the year.

I expect that the full year's results will show a similar position to those at the half year, with a small decline overall in pre-tax profits at constant exchange rates.

In view of the underlying profitability of most businesses and the continued financial strength of the Group, the Board has declared an increase of 17.3 per cent in the interim dividend to 4.75 pence per share net of tax. As was stated at the Annual General Meeting, the Board still expects to be able to recommend a total dividend increase for 1985 which will be substantially in excess of the rate of inflation.

PATRICK SHEEHY, Chairman

B.A.T INDUSTRIES

The full report is being posted to shareholders. Copies are available from the Company Secretary, B.A.T Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL.

Royal Trust International Fd. Mgmt. Ltd.(x) 0534 27441 S.G. Warburg & Co. Ltd. and subsidiaries 01-280 2222
33 King William Street SLEMAN GAS.

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COMMODITIES AND AGRICULTURE

Congress closer to Farm Bill deal

BY NANCY DUNNE IN WASHINGTON

THE U.S. CONGRESS was yesterday an important step closer to hammering together a 1985 Farm Bill, following the House Agriculture Committee's approval of a legislative package on Tuesday night.

The committee said the five-year bill, which is a mixture of almost every major proposal which has been considered over the past year, would cost \$42bn over the next three years, cutting \$11.8bn from current levels. However, one sceptical Administration official said the cuts were made with "smoke and mirrors".

And President Ronald Reagan yesterday reiterated his threat to veto any farm legislation that exceeds his budget limits in a letter to a House member.

The Administration asked for and got lower loan support prices for its "market-oriented" approach. To make U.S. grain more competitive on the world market, the bill would drop the loan rate, which acts as a price support, by 5 per cent a year as long as world prices are declining. The support price for wheat would thus drop from \$3.30 a bushel this year to \$3.14 in '85. Make supports would drop from \$2.55 a bushel to \$2.45.

The committee, attempting to preserve the "safety net" for farm income agreed to continue direct subsidies at current levels for the next two years. After that, target prices could decline 5 per cent a year.

In an attempt to limit payments to the large farmers, the committee set a cap on subsidy payments of \$50,000 per producer and limited non-recourse loan payments to \$250,000.

The committee then turned over to the Agriculture Secretary the decision to implement a "marketing loan" programme. This scheme, strongly supported by the National Association of Wheat Growers, might have received a committee mandate except that no one was sure what it would cost. It allows farmers to repay their price support loans at current market prices, thus providing a loan subsidy.

The big surprise of the new bill was inclusion of a proposal allowing farmers to vote on production controls of wheat and feed grains. The vote would be held on February 1, and if 60

per cent of the farmers agreed, the Department of Agriculture would then institute a radical two-tiered pricing scheme, which would make exports cheaper than domestic grain.

Higher loan rates—\$4.05 a bushel for wheat and \$3.25 a bushel for maize—would immediately go into effect. Production subsidies would be eliminated, and export subsidies would go into effect.

The bill also extends the current sugar support programme in its current form, guaranteeing sugar producers almost 20 cents a pound. It contains a new formula for reducing the cost of the dairy supports but authorises a "diversion" scheme which would pay farmers from a farmer-financed fund if they reduce the size of their herds.

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5
Settlement:	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5
Final:	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5	782.5

COPPER

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5
Settlement:	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5
Final:	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5

LEAD

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5
Settlement:	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5
Final:	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5	302.5

NICKEL

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0
Settlement:	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0
Final:	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0	3,375.0

TIN

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5
Settlement:	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5
Final:	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5	9,174.5

ZINC

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
Settlement:	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
Final:	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0

GOLD

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5
Settlement:	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5
Final:	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5	322.5

SILVER

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Settlement:	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Final:	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5

PLATINUM

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5
Settlement:	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5
Final:	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5	1,022.5

COFFEE

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

TEA

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

WHEAT

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

BARLEY

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

RYE

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

MAIZE

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

SOYBEAN MEAL

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5

WHEAT

Contract	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Official closing (am):	Cash	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Settlement:	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5	1,174.5
Final:	1,174.5	1,174.5	1,174.5									

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar moves above DM2.95

Buying of the dollar increased as the U.S. currency broke through a technical resistance point of DM 2.9500 on the foreign exchange market yesterday. Demand for the U.S. currency increased on fears about market volatility in the world oil market following rumours about the death of Sheikh Yamani, Saudi Arabia's oil minister. A later report from Geneva stated that the Sheikh was alive and well, but as far as the market was concerned the dollar had already advanced beyond one or two resistance levels and showed no sign of retreating. Earlier the dollar had tended to ease in nervous trading as dealers awaited tonight's U.S. M1 money supply announcement and tomorrow's data, including retail sales and industrial production. These are expected to dictate the dollar's immediate performance ahead of next week's flash estimate of third quarter U.S. gross national product growth, and a further revision of second quarter GNP. A statement to Congress by Paul Volcker, chairman of the Federal Reserve Board, had little impact.

The dollar rose to DM 2.9610 from DM 2.9510, after a brief fall to DM 2.9450, before rising to DM 2.9550; SwFr 2.4980 from

SwFr 2.4250; and T243.50 from T242.65.

On Bank of England figures the dollar's index rose to 142.4 from 141.8.

STERLING - Trading range against the dollar in 1985 is 1.4290 to 1.6525. August average 1.5383. Exchange rate index fell 0.1 to 79.9. It opened at 80.2, and touched a peak of 80.4 at 11 am, before falling to a low of 79.8 at 3 pm.

Sterling weakened against the stronger dollar, but continued to recover against other major currencies. The latest UK money supply figures, probably rolling out any early fall in clearing bank base rates helped underpin the pound. Sterling lost 1 cent to \$1.5075-1.5085, but rose to

DM 3.3725 from DM 3.36; FFfr 11.80 from FFfr 11.7850; SwFr 3.15 from SwFr 3.1350; and was unchanged at T218.50.

DMARK - Trading range against the dollar in 1985 is 3.4510 to 2.7425. August average 2.7958. Exchange rate index 132.8 against 132.6 six months ago.

The D-mark lost ground to the dollar, after a steady morning's trading in Frankfurt. The dollar was fixed at DM 2.9585 in Frankfurt, compared with DM 2.9580 from DM 2.9510. Earlier in the day the Bundesbank did not intervene when the dollar was fixed at DM 2.9585 in Frankfurt, compared with DM 2.9480 previously. Rumours about Sheikh Yamani of Saudi Arabia gave the dollar a boost,

after nervous early trading, with market attention then concentrated on Friday's U.S. retail sales and industrial production figures. Few dealers were prepared to take out new positions ahead of the data. Domestic interest rates were steady, reacting to an inflow of DM 2.3bn in temporary liquidity to the German banking system through a securities repurchase agreement, but the foreign exchanges showed no reaction. Sterling continued to recover, and was fixed at DM 3.3650, compared with DM 3.3650 on Tuesday.

STERLING INDEX

	Sept 11	Previous
0 am	80.2	79.6
0 am	80.1	79.5
0 am	80.2	79.6
0 am	80.4	79.9
0 am	80.4	79.9
0 pm	80.4	80.0
0 pm	80.1	80.0
0 pm	79.8	80.2
0 am	79.9	80.0

INDUSTRIALS—Continued[illegible]**LEISURE—Continued**

STOCKS		BONDS		COMMODITIES		CURRENCY		INDEXES	
270	Domestic	200	100	50	100	100	100	100	100
270	International	200	100	50	100	100	100	100	100
270	Commodity	200	100	50	100	100	100	100	100
270	Index	200	100	50	100	100	100	100	100
270	Foreign	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270	Indexes	200	100	50	100	100	100	100	100
270	Options	200	100	50	100	100	100	100	100
270	Warrants	200	100	50	100	100	100	100	100
270	Convertible	200	100	50	100	100	100	100	100
270	Preferred	200	100	50	100	100	100	100	100
270	Common	200	100	50	100	100	100	100	100
270	Debt	200	100	50	100	100	100	100	100
270	Equity	200	100	50	100	100	100	100	100
270	Real Estate	200	100	50	100	100	100	100	100
270	Art	200	100	50	100	100	100	100	100
270	Collectibles	200	100	50	100	100	100	100	100
270	Antiques	200	100	50	100	100	100	100	100
270	Stamps	200	100	50	100	100	100	100	100
270	Coins	200	100	50	100	100	100	100	100
270	Metals	200	100	50	100	100	100	100	100
270	Energy	200	100	50	100	100	100	100	100
270	Grains	200	100	50	100	100	100	100	100
270	Stocks	200	100	50	100	100	100	100	100
270	Bonds	200	100	50	100	100	100	100	100
270	Commodities	200	100	50	100	100	100	100	100
270	Currency	200	100	50	100	100	100	100	100
270</									

PROPERTY—Continued[illegible]

Stock	Price	+ or -	%
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[illegible]

Stock	Price	+ or -	Div. Yld.
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[illegible]

MINES—Continued

[illegible]

NOTES

otherwise indicated, prices and net dividends are in pence and ratios are 25c. Estimated price/earnings ratios and covers are based on annual reports and accounts and, where possible, are updated on half-yearly figures. P/E's are calculated on "net" distribution basis, covering net pay computed on profit after taxation and non-voted shares. ACTs are in "bracketed" figures indicate 30 per cent or more difference in "net" or "bracketed" figures. Covers are based on "maximum" distribution; compares gross dividend cash to profit after taxation, excluding non-voted shares. ACTs are based on taxable profits but including estimated extent of offsettable ACTs. All prices are in pence and are gross, adjusted to ACT of 30 per cent for value of declared distribution and rights.

[illegible]

income insofar as reduced taxes and other reduced earnings indicated.
 Percent dividend; cover on earnings supported by latest interest payment.
 Percent dividend; cover on earnings supported by latest interest payment.
 cover allows for dividends to be not now earnings for dividends or
 cover does not allow for shares which may also rank for dividend at a
 share date. No P/E ratio usually provided.

[illegible]

REGIONAL & IRISH STOCKS

Following is a selection of Regional and Irish stocks, the latter based on the London stock exchange.

my Inc 208	99	Arrol	290	---
Wm. Gray 13	708	CPH Hedges	631	---
Pay. 50	65	Carroll Inds.	139	-1
Com Brew	235	Dublin Gas	179	---
Lloy 250	720	Hall (R. & H.)	68	---
Sun. Cl.	98	Hedge Hedges	23	---
		Irish Ropes	46	---
		Jacob (W. & R.)	83	-2 1/2
		Unicore	104	---

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(International Edition Page 32)

[illegible]

NYSE COMPOSITE CLOSING PRICES

[illegible]

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FRANCE

AMEX COMPOSITE CLOSING PRICES

P	E	S	L	H	L	C	D	Stock	P	E	S	L	H	L	C	D	Stock	P	E	S	L	H	L	C	D	Stock	P	E	S	L	H	L	C	D
AAPL	118	118	118	118	118	118	118	Apple	118	118	118	118	118	118	118	118	IBM	118	118	118	118	118	118	118	118	IBM	118	118	118	118	118	118	118	IBM

Continued on Page 33

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Downward pressures intensify

SELLING pressure mounted throughout the day on Wall Street yesterday pushing leading issues into their sharpest decline for more than a month.

Doubts about the outlook for the domestic economy and selling by professional investors before switching to stock index futures and options combined to cause the slide.

The Dow Jones industrial average closed down 14.01 at 1,319.44, its largest one-day setback since August 6 when it plunged 22 points. Declines led advances by a margin of four-to-one as volume contracted marginally.

In the credit markets, a federal funds rate at above 8 per cent and expectations that Friday's economic data, which will include August retail sales figures, will show further strength left prices turning sharply lower.

The Fed funds rate moved as high as 8 1/2 per cent on demand at the end of a two-week bank statement period, but after the Federal Reserve added reserves through overnight repurchase agreements, the rate fell to 8 per cent.

Later in the session, the Fed again stepped into the market to purchase \$300m worth of Treasury bills on behalf of a customer. At this stage, Fed funds were trading at around 7 1/2 per cent.

Treasury bill rates rose three to four

basis points, with coupon issue prices down 1/4 to 1/2. The benchmark 10 1/2 per cent Treasury bonds of 2015 dropped 1/2 to 98 1/2.

Certificates of deposit moved higher by around one to two basis points.

Technology stocks continued to come under selling pressure, having led the market higher during recent weeks. IBM was off 5/8 at \$127 1/4 while General Electric fell 3/4 to \$60. General Data was a heavy loser, falling 1 1/4 to \$30 1/2.

National Intergroup fell \$1 to \$27 1/2 in response to an agreement to buyback 75 per cent of 1.8m shares owned in the company by Leucadia National at \$24 a share.

American Express, which announced plans to spin off its troubled Fireman's Fund Insurance unit through a public share offering, shed \$1 to 41 1/4.

General Foods, after rising 5 1/2 in the past two sessions amid takeover speculation eased \$2 1/4 to \$87 1/4. Philip Morris, which is rumoured to be interested in diversifying into the food business and has been linked through speculation with General Foods, was 1/2 lower at \$79 1/4.

MCA traded up 1 1/4 to \$72 1/4 after a report that its merger talks with RCA had been aborted. RCA moved down 3/4 to \$44 1/4.

SCM was 1 1/4 down at \$72. The company said that the Merrill Lynch and management leveraged buy-out offer had been raised to \$74 a share for up to 10m shares. Hanson Trust, the UK unit, which subsequently raised its bid to \$72, has since withdrawn from this offer.

Richardson-Vicks, the pharmaceutical group which is fighting a \$54 a share takeover bid from Unilever, the diversified Dutch foods group, fell 1 1/4 to \$40 1/4.

EUROPE

Frankfurt loses grip on peaks

SUPPORT for stocks which reached record levels in Frankfurt on Tuesday subsided yesterday, leaving the way clear for a gentle easing in prices during active trading.

Domestic investors moved in quickly to pick up the profits gained during Tuesday's sharp rise although this selling was partly countered by the return of international demand.

The net result was a 1.8 drop in the Commerzbank index from the record struck on the previous day to 1,513.7.

A marginal upturn at the close of business lent strength to the general market view that there is strong support around present price levels for a broad range of leading stocks.

The technical reaction centred on automotive stocks, which have been in most demand recently, while banks returned the favour and generally gained ground.

Deutsche Bank slipped sharply from its day's peak of DM 585, to close 50 pf higher at DM 532 while Dresdner added DM 4 to DM 289.20 and Commerzbank DM 3.50 to DM 211.

In the automotive sector, Daimler slipped back DM 8 to DM 989 while BMW eased DM 2 to DM 511. VW moved against the tide to firm DM 2.90 to DM 347.80.

Nixdorf was the outstanding performer, gaining DM 10 to DM 572 on expectations that the company will soon release bullish information about its profit outlook.

Public authority bonds extended recent gains to close between 30 and 35 pf higher in moderately active trading. The Bundesbank sold DM 55.8m worth of paper compared with DM 29.8m in sales on Tuesday.

Heightened concern about an impending drain on liquidity, following a series of public offerings by French companies, depressed shares in Paris.

Although prices were only marginally lower, the market's general tone was demonstrated by declines outnumbering advances by 140 to 41 at the close of business.

Technology issues were under most pressure with Radiotechnique FFR 3 lower at FFR 303.

Food and drink stocks also felt the weight of selling. Moët Hennessy dropped FFR 24 to FFR 1,980. Parrier FFR 5 to FFR 484 and Pernod FFR 9 to FFR 719.

Profit-takers steered the course of trading in Brussels with volume again relatively low, and the Cash index off 6.94 at 2,423.69.

Brokers said the possibility of advances by Socialist candidates in the general election next month was pushing more investors to the sidelines, and they anticipate that the present tone will persist for several weeks.

Petrofina encountered mild selling and ended BFR 30 lower at BFR 6,070 while Solvay added BFR 10 to BFR 5,280.

News that GB-Inno-BM managed to lift revenue by only 1 per cent during the first half of the year clipped BFR 15 off the price to leave it at BFR 4,105.

Under the influence of advances by international and insurance companies the ANP-CBS general index in Amsterdam edged 0.4 higher to 220.8.

Unilever was at the centre of the foreign buying on hopes that it will succeed in its bid to acquire Richardson-Vicks, the U.S.-based pharmaceutical group. Unilever added Ft 2 to Ft 342.50.

Heineken benefited from foreign demand on news of higher-than-expected earnings. It firmed Ft 4.90 to Ft 159.50 after going ex-dividend on Tuesday's close.

Zurich moved ahead in heavy turnover with most industrial stocks generally higher.

In an otherwise slightly lower financial holdings market, buying interest concentrated on Schindler which advanced SwFr 175 to SwFr 4,800.

Georg Fischer was prominent among industrials, gaining SwFr 60 to SwFr 1,050.

In banking Baser rose SwFr 9.75, and among confectioners Jacobs Suchard was marked up SwFr 125 to SwFr 7,150.

Milan closed higher across a broad front as domestic institutions and international investors entered the market, pushing several blue chips to record levels.

Among the major improvers, Italcementi firmed L580 to L47,800. Olivetti L75 to L7,110 and Fiat L30 to L4,280.

Stockholm fell to profit-takers for most of the session, leading to a retreat for most major industrial issues.

Volvo slipped SKr 2 to SKr 239, Electrolux SKr 3 to SKr 141 and Ericsson SKr 6 to SKr 241.

During light trading, shares eased in Madrid with utilities and banks the most heavily traded.

Among golds, Southvaal gained R5 to R88, Buffels R1.50 to R74.50 and Driefontein R1.25 to R50.50.

Mining financials shadowed golds, with Anglo American up 75 cents at R31.75 and Barlow Rand 20 cents firmer at R11.20.

Diamond share De Beers also firmed, rising 10 cents to R11.65.

AUSTRALIA

AFTER an active Tuesday session in Sydney, investors paused to await fresh news and most stocks ended lower.

The All Ordinaries index closed 0.8 down at 955.1 while the gold index put on 3.0 to 1,033.2.

Trading in Coles and Myer, the stores groups, provided most of the market's interest. Coles fell 35 cents to A\$4.15 as interests associated with Mr Robert Holmes & Court sold 10m shares to unnamed buyers at A\$4.50 each. A second parcel of 8.9m shares moved through the market at A\$4.50, but the buyers and sellers were not revealed. Bell Group, also controlled by Mr Holmes & Court, rose 30 cents to A\$9.10.

Myer shed 20 cents to A\$3.50 with 1.9m shares changing hands.

Media stocks attracted interest while BHP was steady at A\$7.18, MIM lost 3 cents to A\$2.65 and Bell Resources 10 cents to A\$8.10.

HONG KONG

LATE buying activity in Hong Kong pushed prices sharply higher. The Hang Seng index, which advanced steadily throughout the session, ended 25.64 higher at 1,517.95.

Yesterday's gain was the first since last Thursday and the most significant since August 6 when the index added 29.03 points to finish at 1,700.93.

Heavy buying by local investors made strong gains for property shares, which have been especially weak since Hong Kong's banks raised interest rates about two weeks ago. Cheung Kong added 30 cents to HK\$17.90, Hongkong Wharf 25 cents to HK\$36.55, Hongkong Land 20 cents to HK\$6.15 and Sun Hung Kai Properties 30 cents to HK\$12.80.

Elsewhere, Hongkong Electric rose 10 cents to HK\$7.90 while Hongkong Bank was steady at HK\$7.30.

SINGAPORE

SPECULATIVE issues held centre stage in Singapore yesterday where shares rose slightly over a broad front in active trading.

Stocks to dominate trading included Supreme, 7 cents higher at S\$1.86 after 2.03m shares changed hands. Innovest, also up 7 cents at S\$1.48 with 1.02m shares traded, and Duta Consolidated, steady at S\$3.62 after trading 1.01m units.

Banks eased, with OCBC 10 cents lower at S\$7.95 and UOB off 4 cents at S\$3.34, while Malayan Banking added 5 cents to S\$5.65 and OUB advanced 3 cents to S\$2.72.

TOKYO

Broader base for advance

INVESTORS broadened the base of their buying from blue chips and fiscal investment-related stocks to include a wide range of issues in Tokyo yesterday, sending share prices sharply higher.

The Nikkei-Dow market average added 105.71 points to 12,625.25. Volume strengthened from 236.28m on Tuesday to 403.35m shares. Advances outnumbered declines by 468 to 321, with 154 issues unchanged.

In view of the continued index rise and expanded trading volume, optimism grew that the market had bottomed out. But some analysts remained cautious because the upsurge was fired largely from small-lot buying of Hitachi, Canon and other blue chips by an investment trust management company and speculators looking for immediate capital gains.

Fiscal investment-related housings and constructions were bought in early trading. Sakisui House gained Y7 to Y906 and Taihei Kogyo Y11 to Y870, but both had lost about Y20 from the day's highs in late profit-taking.

Companies with large off-the-book assets drew buying interest but slackened in the afternoon. Mitsui Real Estate firmed Y12 to Y946 and Mitsubishi Warehouse Y6 to Y781.

Buying interest shifted to blue-chip electricals and precision instruments in late trading. Fanuc soared Y240 to Y8,150, Sony Y150 to Y3,680, Matsushita Electric Industrial Y170 to Y2,420, Pioneer Y60 to Y1,800, Casio Computer Y60 to Y1,850, Canon Y90 to Y1,040 and Olympus Y100 to Y1,060.

Minebea jumped Y47 to Y822 following its announcement that it would issue Y16bn in convertible bonds for private placement to counter Trafalgar Holdings' takeover bid. Fuji Spinning added Y35 to Y325 on speculative buying.

Kanebo, a major loser on Monday and Tuesday due to the sales suspension of its liver drug Catergen, partly recovered to close Y8 up to Y90.

Sanko Steamship topped the active list with 34.47m shares as speculative sources engaged in busy transactions

for immediate profits. The stock moved between Y8 and Y12, ending at Y8, down Y3.

Mitsubishi Heavy Industries, second busiest with 23.47m shares traded, strengthened Y13 to Y400.

Bonds opened slightly firmer in buying by bank dealers but eased later as institutional investors had retreated to await announcements of U.S. economic indicators for August.

The yield on the benchmark 6.8 per cent government bond due in December 1994 was unchanged at 8.135 per cent.

LONDON

Speculation on takeovers fuels rally

TAKEOVER speculation rescued London from another potential setback yesterday, and the FT Ordinary share index, which registered a loss of 7.2 at one stage, recovered to close only 0.2 lower at 1,006.6.

Early in the session, sentiment had been unsettled by the announcement of disappointing interim figures from BAT Industries, which fell away to close at the day's low of 278p, down 45p.

Other blue-chip industrials followed suit, gathering momentum later following a sudden setback in oil shares. This was prompted by vague rumours, subsequently denied, that Saudi Oil Minister, Sheikh Yamani, had died.

However, the reaction which mainly reflected a defensive mark-down by jobbers, proved to be relatively short-lived as renewed speculative activity in recent favourites helped towards a revival.

Chief price changes, Page 33; Details, Page 32; Share information service, Pages 30-31

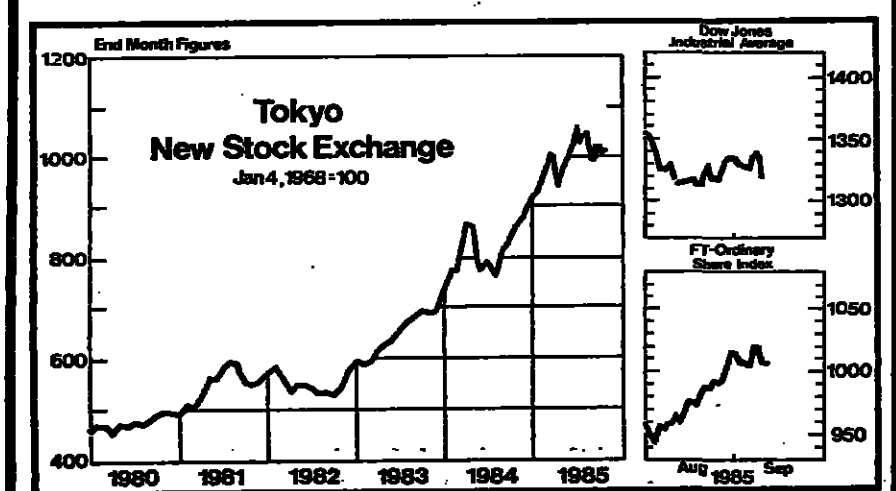
CANADA

AN EXTENSION of the week-long slump in Toronto was seen during trading yesterday, influenced by a downturn in Wall Street.

Heading the actives, GEAC Computer moved down C\$4 to C\$10 followed by Canadian Pacific, off C\$4 at C\$16 1/2. Canadian Pacific has been declining since news of its plan to buy the remainder of Canadian Pacific Enterprises in a share exchange.

In Montreal, utilities rose while banks and industrials turned lower.

KEY MARKET MONITORS



STOCK MARKET INDICES				
NEW YORK	Sept 11	Previous	Year ago	
DJ Industrials	1,319.44	1,333.45	1,197.99	
DJ Transport	689.36	679.73	510.63	
DJ Utilities	155.11	155.98	128.80	
S&P Composite	185.03	186.90	164.45	
LONDON				
FT Ord	1,006.6	1,006.8	857.6	
FT-SE 100	1,302.2	1,311.4	1,103.1	
FT-A All-share	631.89	636.85	520.92	
FT-A 500	694.16	700.11	567.18	
FT Gold mines	309.3	304.1	521.4	
FT-A Long gilt	10.44	10.46	10.48	
TOKYO				
Nikkei-Dow	12,625.25	12,519.54	10,443.1	
Tokyo SE	1,013.50	1,007.10	807.79	
AUSTRALIA				
All Ord.	955.1	956.0	714.4	
Metals & Mins.	528.1	528.9	425.6	
AUSTRIA				
Credit Aktien	100.27	100.44	53.64	
BELGIUM				
Belgian SE	2,423.69	2,430.63		
CANADA				
Toronto				
Metals & Minis	1,986.38	2,016.12	1,326.0	
Composite	2,753.58	2,768.82	2,345.1	
Montreal				
Portfolio	134.37	135.30	115.2	
DENMARK				
SE	n/a	214.52	177.14	
FRANCE				
CAC Gen	220.5	226.2	172.9	
Ind. Tendance	124.3	125.8	112.7	
WEST GERMANY				
FAZ-Aktien	516.59	516.84	345.07	
Commerzbank	1,513.7	1,515.5	1,004.4	
HONG KONG				
Hang Seng	1,571.95	1,546.31	946.05	
ITALY				
Banca Comm.	388.25	379.88	212.22	
NETHERLANDS				
ANP-CBS Gen	221.2	220.8	165.2	
ANP-CBS Ind	193.5	193.0	130.7	
NORWAY				
Ose SE	382.40	384.12	261.25	
SINGAPORE				
Straits Times	751.46	750.72	907.17	
SOUTH AFRICA				
JSE Golds	-	1,002.5	908.9	
JSE Industrials	-	936.8	817.5	
SPAIN				
Madrid SE	109.67	109.98	145.18	
SWEDEN				
J & P	1,384.57	1,404.95	1,446.17	
SWITZERLAND				
Swiss Bank Ind	499.3	492.0	376.9	
WORLD				
Capital Int'l	Sept 10	Prev	Year ago	
	214.6	215.5	180.4	
GOLD (per ounce)				
	Sept 11	Prev		
London	\$320.50	\$322.00		
Zurich	\$320.80	\$321.80		
Paris (fixing)	\$322.18	\$321.25		
Luxembourg	\$322.60	\$320.00		
New York (Oct)	\$321.20*	\$323.20		
* Latest available figure				

CURRENCIES						
U.S. DOLLAR		STERLING				
(London)	Sept 11	Previous	Sept 11	Previous		
\$	-	-	1.306	1.313		
DM	2.961	2.94	3.8725	3.86		
Yen	243.5	242.65	318.5	318.5		
FFr	9.02	8.985	11.8	11.765		
SwFr	2.439	2.425	3.19	3.185		
Builder	3.354	3.3035	4.3476	4.3675		
Lira	1,987.5	1,954.0	2,573.5	2,588.5		
Rp	59.65	59.36	76.05	77.9		
C\$	1.37115	1.37165	1.795	1.8014		
INTEREST RATES						
Euro-currencies		Sept 11		Prev		
(3-month offered rate)						
\$		4 1/4%	11%			
SwFr		4%	4 1/4%			
DM		4%	4%			
FFr		4%	10%			
FT London Interbank fixing (offered rate)						
3-month U.S.\$		8%	8%			
6-month U.S.\$		8%	8%			
U.S. Fed Funds		7%	7 1/4%			
U.S. 3-month CDs		6.00	6.00			
U.S. 3-month T-bills		7.225	7.225			
U.S. BONDS						
Treasury		Sept 11*		Prev		
		Price	Yield	Price	Yield	
8 1/2	1987	99 1/4	9.118	99 1/4	9.08	
10 1/2	1992	99 1/4	10.38	100 1/4	10.32	
10 1/2	1995	99 1/4	10.518	100 1/4	10.47	
10 1/2	2015	98 1/4	10.742	99 1/4	10.71	
Corporate		Sept 11*		Prev		
AT & T		Price	Yield	Price	Yield	
10 1/2	June 1990	99 1/4	10.50	99 1/4	10.50	
3 1/4	July 1980	91 1/4	8.65	91 1/4	8.70	
8 1/4	May 2000	82 1/4	11.20	82 1/4	11.15	
Xerox						
10 1/2	Mar 1993	98 1/4	10.95	98 1/4	10.90	
Diamond Shamrock						
10 1/2	May 1993	98 1/4	11.00	98 1/4	10.95	
Federated Dept Stores						
10 1/2	May 2013	97	11.80	92 1/4	11.50	
Abbott Lab						
11 1/2	Feb 2013	100 1/4	11.75	101 1/4	11.60	
Alcoa						
12 1/2	Dec 2012	98 1/4	12.40	98 1/4	12.35	
Source: Seligman Bros						
FINANCIAL FUTURES						
CHICAGO		Latest		High	Low	Prev
U.S. Treasury Bonds (CBT)						
8 1/2 bonds of 100%						
Sept		75-19	75-24	75-05	75-20	
U.S. Treasury Bills (IMM)						
\$1m points of 100%						
Sept		92.84	92.87	92.81	92.86	
Certificates of Deposit (IMM)						
\$1m points of 100%						
Sept		91.98	91.98	91.95	91.99	
LONDON						
Three-month Eurodollar						
\$1m points of 100%						
Dec		91.19	90.17	90.11	90.17	
20-year National Gilt						
\$50,000 32nds of 100%						
Dec		110-28	110-08	110-24	110-23	
COMMODITIES						
London		Sept 11		Prev		
Silver (spot fixing)		459.00p		459.25p		
Copper (cash)		\$1,034.00		\$1,036.25		
Coffee (Sept)		\$1,635.50		\$1,628.50		
Oil (spot Arabian Ught)		\$27.40		\$27.20		